



Amendment No. 4
to
Contract No. NA150000117
for
Airport Liability Insurance for ABIA
between
Alliant Insurance Services, Inc.
and the
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be August 1, 2019, through July 31, 2020. Two options will remain.
- 2.0 The total contract amount is increased by \$30,446.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 08/01/2015 – 07/31/2016	\$17,504.00	\$17,504.00
Amendment No. 1: Option 1 – Extension 08/01/2016 – 07/31/2017	\$19,254.00	\$36,758.00
Amendment No. 2: Option 2 – Extension 08/01/2017 – 07/31/2018	\$22,142.00	\$58,900.00
Amendment No. 3: Option 3 – Extension 08/01/2018 – 07/31/2019	\$27,678.00	\$86,578.00
Amendment No. 4: Option 4 – Extension 08/01/2019 – 07/31/2020	\$30,446.00	\$117,024.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment, the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: John McLoughlin 6/6/19

Printed Name: John McLoughlin
Authorized Representative

Alliant Insurance Services, Inc.
701 "B" Street, 6th Floor
San Francisco, California 92101
(415) 403-1444
cramirez@alliant.com

Sign/Date:

Cyrenthia Ellis 6/10/19
Cyrenthia Ellis
Procurement Manager

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



Amendment No. 3
to
Contract No. NA150000117
for
Airport Liability Insurance for ABIA
between
Alliant Insurance Services, Inc.
and the
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be August 1, 2018, through July 31, 2019. Three options will remain.
- 2.0 The total contract amount is increased by \$27,678.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 08/01/2015 – 07/31/2016	\$17,504.00	\$17,504.00
Amendment No. 1: Option 1 – Extension 08/01/2016 – 07/31/2017	\$19,254.00	\$36,758.00
Amendment No. 2: Option 2 – Extension 08/01/2017 – 07/31/2018	\$22,142.00	\$58,900.00
Amendment No. 3: Option 3 – Extension 08/01/2018 – 07/31/2019	\$27,678.00	\$86,578.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: Nazie Arshi 5/8/18

Printed Name: NAZIE ARSHI
Authorized Representative

Alliant Insurance Services, Inc.
701 "B" Street, 6th Floor
San Francisco, California 92101
(415) 403-1444
cramirez@alliant.com

Sign/Date: Cyrenthia Ellis 6/12/18

Mike Zambrano, Jr.
~~Contract Management Specialist III~~
Cyrenthia Ellis
Procurement Mgr.

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



Amendment No. 2
of
Contract No. NA140000117
for
Airport Liability Insurance for ABIA
between
Alliant Insurance Services, Inc
and the
City of Austin

- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective August 1, 2017, to July 31, 2018, four options remain.
- 2.0 The total contract amount is increased by \$19,254.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 8/01/15 – 7/31/16	\$17,504.00	\$17,504.00
Amendment No. 1: Option 1 8/01/16 – 7/31/17	\$19,254.00	\$36,758.00
Amendment No. 2: Option 2 8/01/17 – 7/31/18	\$19,254.00	\$56,012.00

- 3.0 MBE/WBE goals were not established for this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature and Date: June 28, 2017
Printed Name: NAZIE ARSHI
Authorized Representative

Signature and Date: Beatrice Washington 7-7-17
Beatrice Washington, Contract Management Specialist III
City of Austin
Purchasing Office

Alliant Insurance Services, Inc
100 Pine Street, 11th Floor
San Francisco, CA 94111



Amendment No. 1
of 5
Contract No. NA170000117
for
Airport Liability Insurance for ABIA
between
Alliant Insurance Services, Inc
and the
City of Austin

- 1.0 The City hereby exercises the extension option for the above-referenced contract. Effective August 1, 2016, the term for the extension option will be August 1, 2016 to July 31, 2017 and there are five remaining options.
- 2.0 The total contract amount is increased by \$19,254.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 8/01/15 – 7/31/16	\$17,504.00	\$17,504.00
Amendment No. 1: Option 1 8/01/16 – 7/31/17	\$19,254.00	\$36,758.00

- 3.0 MBE/WBE goals were not established for this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature and Date: John McLoughlin 7/6/16
Printed Name: JOHN MCLOUGHLIN
Authorized Representative

Signature and Date: Linell Goodin-Brown 7/13/16 For
Linell Goodin-Brown, Contract Compliance Supervisor
City of Austin
Purchasing Office

Alliant Insurance Services, Inc
100 Pine Street, 11th Floor
San Francisco, CA 94111



City of Austin

Purchasing Office, Financial Services Department

P.O. Box 1088, Austin, TX 78767

August 10, 2015

Alliant Insurance Services, Inc.
Tom E. Corbett
1301 Dove Street, Suite 200
Newport Beach, CA 92660

Dear Mr. Corbett:

The City of Austin approved the execution of a contract with your company for Airport Liability Insurance for Austin-Bergstrom International Airport in accordance with the referenced solicitation.

Responsible Department:	Human Resources Department
Department Contact Person:	Benny VandenAvond
Department Contact Email Address:	Benny.VandenAvond@austintexas.gov
Department Contact Telephone:	(512) 974-3264
Project Name:	Liability Insurance for ABIA
Contractor Name:	Alliant Insurance Services, Inc.
Contract Number:	NA150000117
Contract Period:	8/1/2015 – 7/31/2016
Initial Dollar Amount	\$17,504.00
Extension Options:	Six 12-month options
Requisition Number:	RQM 5800 - 15021700206
Solicitation Number:	JRD0304

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person.

Sincerely,

Jonathan Dalchau
Senior Buyer
City of Austin
Purchasing Office

**CONTRACT BETWEEN THE CITY OF AUSTIN ("City")
AND
Alliant Insurance Services, Inc. ("Contractor")
for
Airport Liability Insurance
Contract: MA 5800 NA150000117**

The City accepts the Contractor's Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between Alliant Insurance Services, Inc. having offices at 1301 Dove Street, Suite 200, Newport Beach, CA 92660 and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number Request for Proposal JRD0304.

1.1 This Contract is composed of the following documents:

- 1.1.1 This Contract
- 1.1.2 The City's Solicitation, Request for Proposal, JRD0307 including all documents incorporated by reference and the City's Best and Final Offer dated May 7, 2015
- 1.1.3 Alliant Insurance Services, Inc. Offer, dated April 21, 2015, Alliant Insurance Services Inc's Response to the City's Best and Final Offer dated May 11, 2015 and any and all subsequent clarifications

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 This Contract
- 1.2.2 The City's Solicitation and Best and Final Offer as referenced in Section 1.1.2, including all documents incorporated by reference
- 1.2.3 The Contractor's Offer and Response to the City's Best and Final Offer as referenced in Section 1.1.3, including subsequent clarifications.

1.3 Term of Contract. The Contract will be in effect for an initial term of twelve (12) months and may be extended thereafter for up to six (6) additional twelve (12) month periods extension option(s), subject to the approval of the Contractor and the City Purchasing Officer or his designee. See the Term of Contract provision in Section 0400 for additional Contract requirements.

1.4 Compensation. The Contractor shall be paid a total not-to-exceed amount of \$17,504 for the initial Contract term and \$19,254 for the first extension option, \$22,142 for the second extension option, \$27,678 for the third extension option, \$30,446 for the fourth extension option, \$33,491 for the fifth extension option, and \$36,840 for the sixth extension option for a total not-to-exceed contract amount of \$187,355.00. Payment shall be made upon successful completion of services and delivery of goods as outlined in each individual Delivery Order.

- 1.5 **Quantity of Work.** There is no guaranteed quantity of work for the period of the Contract and there are no minimum order quantities. Work will be on an as needed basis as specified by the City for each Delivery Order

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the parties have caused a duly authorized representative to execute this Contract on the date set forth below.

ALLIANT INSURANCE SERVICES, INC.

CITY OF AUSTIN

Thomas E. Corbett
Printed Name of Authorized Person

JONATHAN DALCHAU
Printed Name of Authorized Person

[Signature]
Signature

[Signature]
Signature

Senior Vice President
Title:

SENIOR BUYER
Title:

7/29/15
Date:

8/10/2015
Date:

Exhibits:

Exhibit A – City's Non-Discrimination Certification

EXHIBIT A
City of Austin, Texas
EQUAL EMPLOYMENT/FAIR HOUSING OFFICE
NON-DISCRIMINATION CERTIFICATION

City of Austin, Texas
Human Rights Commission

To: City of Austin, Texas, ("OWNER")

I hereby certify that our firm conforms to the Code of the City of Austin, Section 5-4-2 as reiterated below:

Chapter 5-4. Discrimination in Employment by City Contractors.

Sec. 4-2 Discriminatory Employment Practices Prohibited. As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations and agrees:

- (B) (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter. Such affirmative action shall include, but not be limited to: all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising; selection for training and apprenticeship, rates of pay or other form of compensation, and layoff or termination.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by OWNER setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with OWNER's Human Rights Commission in connection with any investigation or conciliation effort of said Human Rights Commission to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require compliance with provisions of this chapter by all subcontractors having fifteen or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with OWNER subject to the terms of this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Nondiscrimination Policy set forth below.

City of Austin
Minimum Standard Non-Discrimination in Employment Policy:

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE A COPY TO THE CITY OF THE CONTRACTOR'S NON-DISCRIMINATION POLICY ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION POLICY, AS SET FORTH HEREIN, OR THIS NON-DISCRIMINATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES (THE FORM OF WHICH HAS BEEN APPROVED BY THE CITY'S EQUAL EMPLOYMENT/FAIR HOUSING OFFICE), WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination Certificate or the Contractor's separate conforming policy, which the Contractor has executed and filed with the Owner, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payments, the Contractor's Non-Discrimination Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 29th day of July, 2015

CONTRACTOR

Authorized Signature

Title

Alliant Insurance Services, Inc.
[Signature]
Senior Vice President

PROPOSAL TO PROVIDE

AIRPORT LIABILITY INSURANCE RFP JRD0304

FOR THE

AUSTIN- BERGSTROM INTERNATIONAL AIRPORT

APRIL 24, 2015

ALLIANT INSURANCE SERVICES, INC.
1301 DOVE STREET, SUITE 200 | NEWPORT BEACH, CA 92660
MAIN: (949) 756-0271 | CA LICENSE NO. 0C36861 | www.alliant.com





April 24, 2015

Jonathan Dalchau
City of Austin, Texas
Purchasing Office
124 W 8th Street, Rm 308
Austin, TX 78701

**Response to Request for Proposal for Airport Liability Insurance Solicitation Number: RFP
JRD0304**

Dear Mr. Dalchau:

Thank you for inviting Alliant Insurance Services, Inc. (Alliant) and Phoenix Aviation Managers/Old Republic Insurance Company to respond to the Austin-Bergstrom International Airport's (ABIA) Request for Proposal to provide Airport Liability Insurance. We believe our response demonstrates the depth of our experience, as well as our desire to work with ABIA to provide insurance and brokerage services.

We have reviewed and understand the elements of the request and have prepared our submission and insurance quote for ABIA's review and consideration. We take no exceptions to the requested Scope of Services.

Alliant and Phoenix Aviation are dedicated to providing high-quality brokerage, risk management services, underwriting, and claims handling to our many public entity and aviation clients. Our experience with airports across the United States demonstrates that we have the capabilities to serve the Austin-Bergstrom International Airport well. We look forward to discussing our capabilities with ABIA

Sincerely,

A handwritten signature in black ink, appearing to read "Tom E. Corbett", with a stylized flourish at the end.

Tom E. Corbett
Senior Vice President
(949) 660-8132
tecorbett@alliant.com

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EXECUTIVE SUMMARY

As long time Public Entity and Aviation partners, Alliant Insurance Services, Inc. (Alliant) and Phoenix Aviation Managers/Old Republic Insurance Company (Phoenix Aviation) are pleased for the opportunity to collaborate and respond to the Austin-Bergstrom International Airport's (ABIA) Request for Proposal for Airport Liability Insurance.

Alliant provides a full spectrum of risk management, consulting, and insurance brokerage services with the ability, resources, and desire to partner with ABIA to meet your insurance and risk management objectives. Alliant has grown to become one of the nation's leading brokers for public entities with aviation exposures due to a firm culture that emphasizes customer service, entrepreneurial spirit, and creativity for this industry sector. Alliant's staff includes over 300 professionals who are dedicated to serving the public sector.

Phoenix Aviation is a leading aviation insurance provider serving the general aviation marketplace. With over 30 years of aviation experience, they have grown their business by focusing on the needs of their customers and treating them in a way that earns their trust. Their success is built upon the ability to provide quality insurance, risk control, and claims services in accordance with their customers' needs. Phoenix Aviation is a flexible, agile organization prepared to support ABIA and your business. Phoenix Aviation has earned an excellent reputation for security, stability, and service in the general aviation community.

ABIA is the airport of choice for Central Texas. With ABIA's projected record-breaking growth into the next decade, combined with the City of Austin's (City) lure, selecting the right broker/carrier to support future airport project plans and vision is critical. In this proposal, Alliant and Phoenix Aviation will demonstrate that we are well qualified to assess ABIA's insurance needs, to service your liability risks, while delivering both a comprehensive and highly competitive aviation liability insurance quote.

Please find a summation of how Alliant will accomplish its broker responsibilities and Phoenix Aviation Managers will fulfill its carrier requirements if awarded Austin-Bergstrom Airport's Liability contract.

EXECUTIVE SUMMARY

1. Significant, Relevant Experience with Public Entities and Aviation Clients

Alliant is the second largest specialty broker in the United States. The entire focus is solely on chosen specialty industries allowing the firm to develop knowledge and expertise within those specific areas. Public entity is one of the largest specialty focus areas. Alliant currently works with over 10,000 public entity clients in 43 states, and has more than 100 aviation clients across the country, ranging from large international airports to small municipal airports. A few notable Alliant aviation clients include the San Francisco International Airport, Seattle-Tacoma International Airport, Metropolitan Airports Commission, and the Sacramento International Airport.

Phoenix Aviation Managers is one of the premier carriers for governmental/municipal aircraft insurance. Their airport and government entity team is dedicated exclusively to address the needs of commercial, general aviation airport operators, and airport liability risks across the United States.

2. Our People

Alliant has built an organizational culture that attracts and supports talented, high energy professionals. Alliant is a true National Practice structured under one core leadership, without geographic boundaries or regional profit center. Alliant represents many Texas-based public entities and ABIA's proposed service team members are knowledgeable of the risks and coverages that are unique to aviation. They are recognized as leaders in public entity, locally, and nationally. They have structured an experienced team of senior brokers to design and market your insurance program. Every proposed team member has personal, specific expertise working with airports.

Phoenix Aviation's specialized airport and government entity team has an experienced, highly regarded management team, and stable and consistent underwriting. Additionally, they have dedicated in-house aviation claim experience with regional claim offices strategically located in all major time zones, and providing local service in Dallas, Texas. Their services include expert, personalized risk control services, at no additional cost. The claim team's partnership with its aviation underwriting staff and risk control experts assures a proactive approach to risk avoidance and mitigation.

3. Claims Handling

Alliant is prepared to be held to the highest standards of integrity and professionalism. Alliant understands that its clients have long memories, and know that their reputation is its most valuable corporate and personal asset. Alliant's Claims Advocacy Team will work together to compliment the efforts of the Phoenix Aviation Claim Team.

The mission of the Phoenix Aviation Claim Team is to act with the utmost professionalism to protect the interests and integrity of its clients by promptly and fairly resolving claims. The goal is to help its clients get back to what they know best – operating their business and aircrafts. They strive to provide the most professional comprehensive service in the industry.

EXECUTIVE SUMMARY

4. Risk Control

Alliant and Phoenix Aviation have an array of best in class loss control services to offer ABIA including property loss control engineers, global partnerships with experience, attorneys with aviation expertise, consultants, appraisers, technicians, and investigators to offer valuable professional support.

5. Value Proposition

Over the years, Alliant has developed custom insurance and risk management programs for its public entity and aviation clients and will leverage these programs for the advantage of ABIA, even if you elect not to participate in them.

Because of Alliant and Phoenix Aviation's public entity focus and market influence, we are able to deliver unmatched coverage and pricing to ABIA. As our insurance proposal will demonstrate, we drive savings directly to our clients, while also delivering an insurance program with comprehensive coverage. We regard each client relationship as unique and we would approach our relationship without any preconceived notions as to how best to serve your needs.

Summary

We look forward to the opportunity to support ABIA's efforts to design and implement its liability risk financing and management program, without pre-conceived notions about the market or current program structure. With Alliant and Phoenix Aviation, new ideas will be brought to bear. We have attempted to thoroughly answer your questions; however, if we have missed any key area, please do not hesitate to let us know. We welcome your questions and comments and would be honored to have the opportunity to present our credentials to you in person.

We look forward to the opportunity to demonstrate our skills to your organization. We appreciate your consideration and would be honored to be selected as your aviation risk consultant, and insurance broker, and carrier partner.

A. PART I - PROVIDER QUALIFICATIONS

- i. *Provide information regarding the history, organization, and service structure of the carrier(s) providing quotations. Indicate the location of the underwriting office and the claims services office. Provide a resume of the lead underwriter and lead claims adjuster detailing their experience with aviation and airport liability underwriting and claims handling risks.*

Phoenix Aviation is a leading aviation insurance provider serving the general aviation, airlines, airports and products marketplace. Phoenix Aviation is a wholly owned subsidiary of Chicago-based Old Republic International Corporation, an insurance holding company whose subsidiaries market, underwrite and provide risk management and insurance services for a wide variety of specialized industries. One of the nation's 50 largest publicly owned insurance organizations, Old Republic has consolidated assets of approximately \$17.0 billion.

Effective May 1st, 2015, Phoenix Aviation will change its name to Old Republic Aerospace, Inc. The purpose of the change is to better reflect their expanded capabilities to the global aviation marketplace while also aligning their company's brand identity with that of their parent company, Old Republic International Corporation.

For the past 31 years, they have been providing premier aviation insurance products, services and solutions. Their commitment to their current customer base is unwavering and their continued commitment to excellence and serving the needs of their insureds, agents, and agencies is stronger than ever as they continue forward as Old Republic Aerospace.

Insurance contracts underwritten by Phoenix Aviation are issued by Old Republic Insurance Company, a member of the Old Republic group of insurance companies.

The Underwriting Office and the Claims Services Office for the ABIA placement will be the Dallas, Texas office of Phoenix Aviation Managers, Inc.

The lead underwriter for the ABIA placement will be Daniel Bullard and the lead claims adjuster will be Chad Rundell.

A. PART I - PROVIDER QUALIFICATIONS

Daniel Bullard | Dallas Branch Manager, Senior Vice President
Business Line Manager for Airports and Special Risks

Daniel manages the Dallas Branch underwriting and customer service operations and manages the Airports and Special Risks book of business for Phoenix Aviation Managers. In 1988, Daniel started as an underwriter for United States Aircraft Insurance Group (USAIG), Houston office. He was promoted to Assistant Vice President, Assistant Branch Manager in 1998. In 2003, Daniel was promoted to Vice President and transferred to the USAIG, New York office, to become the manager of the Pleasure & Business product line and subsequently was promoted to Senior Vice President. Daniel joined Phoenix Aviation as the Dallas Branch Manager in 2011. He holds a Bachelor of Business Administration degree from the University of North Texas and a Master of Business Administration from Rice University. Daniel is a commercial pilot with a single engine land and sea ratings as well as multi-engine land and instrument ratings. He is also a Certified Flight Instructor with single engine and advanced ground instructor ratings.

Chad Rundell | Claims Manager

Chad joined Phoenix Aviation in 2005 and manages aircraft hull and liability claims in the South Central Region. Before joining Phoenix, Chad worked as a claims adjuster at Avemco, US Specialty, Universal Loss Management and LAD Aviation. He holds a commercial pilot's license with single engine, multi-engine and instrument ratings along with an airframe and power plant mechanic's license. Chad is a licensed adjuster in Texas, Louisiana, Mississippi, Arkansas, Oklahoma, and New Mexico.

ii. Provide information regarding the history and experience of the agent/broker firm providing services. Indicate location of the office and agency experience with airport liability insurance accounts of a size similar to the City's.

Alliant was established in 1925 in San Diego, California. Today, Alliant is a privately held corporation headquartered in Newport Beach, California with 70 offices located across 25 states. Alliant employs over 2,100 individuals, with over 300 professionals dedicated specifically to serving the public sector. Business Insurance ranks Alliant as the second largest privately held broker, and one of the most productive brokers in the United States. For 2014, annual revenues have exceeded \$730 million.



\$7.8 billion
in premium



\$732 million
in revenue



2,100+
employees



70 offices
in 25 states



Industry rank: 12th
largest in U.S.

A. PART I - PROVIDER QUALIFICATIONS

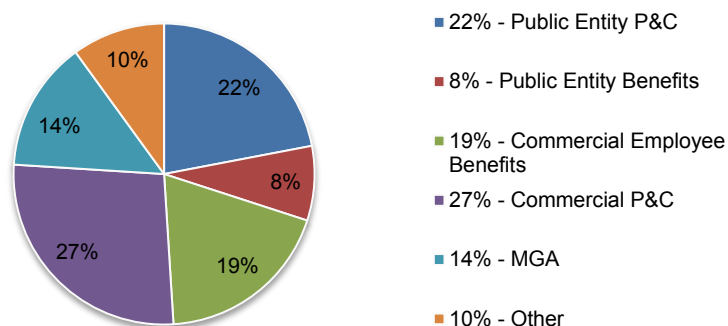
Prior to being reorganized as Alliant Insurance Services, Inc., the firm was known as Driver Alliant Insurance Services, Inc. This name originated in the 2001 merger of the Robert F. Driver Company with Alliant Resources Group. Alliant Resources Group, Inc. was then formed as a financial services company, focusing on serving public entities and the commercial insureds with advantaged products and services. Alliant is the successor organization to both and is a licensed, multi-line insurance brokerage firm. Since 2001, the firm has grown significantly through both strong organic growth and strategic acquisitions across the country.

In December 2012, Alliant shareholders, including many employees and the Blackstone Group, transitioned majority ownership to Kohlberg Kravis Roberts (KKR); the oldest, and one of the largest, private equity firms in the United States. Alliant employees continue to own a significant portion of the company, and plans are to continue as an industry leader, outpacing the competition in providing new, value-added resources to clients. KKR is an ideal partner to support this vision and business plan for the future. As a partner with KKR, Alliant Insurance Services benefits from the decades of financial and operational experience, broad industry knowledge, and powerful network of global relationships.

KKR owns 60% of the company. The remaining 40% is owned by its employees. This broad based ownership by employees gives them a strong commitment to the success of the company and an even stronger commitment to the success of its clients. Many of the proposed ABIA service team members are equity shareholders in Alliant.

What does KKR's backing mean for Alliant clients? Alliant is experiencing strategic company growth. The company is attracting top talent and keeping its own specialized talent. These resources and financial strength allows the company to grow where it makes sense to add value to its clients. Alliant can commit to ABIA that it will keep the necessary resources in place and continue to add resources in order to provide the best advisors and solutions to ABIA.

Public entities and airports represent a majority of its book of business, representing over 30% of Alliant's annual revenue alone, and they have developed resources that meet the needs of airports similar to ABIA.



A. PART I - PROVIDER QUALIFICATIONS

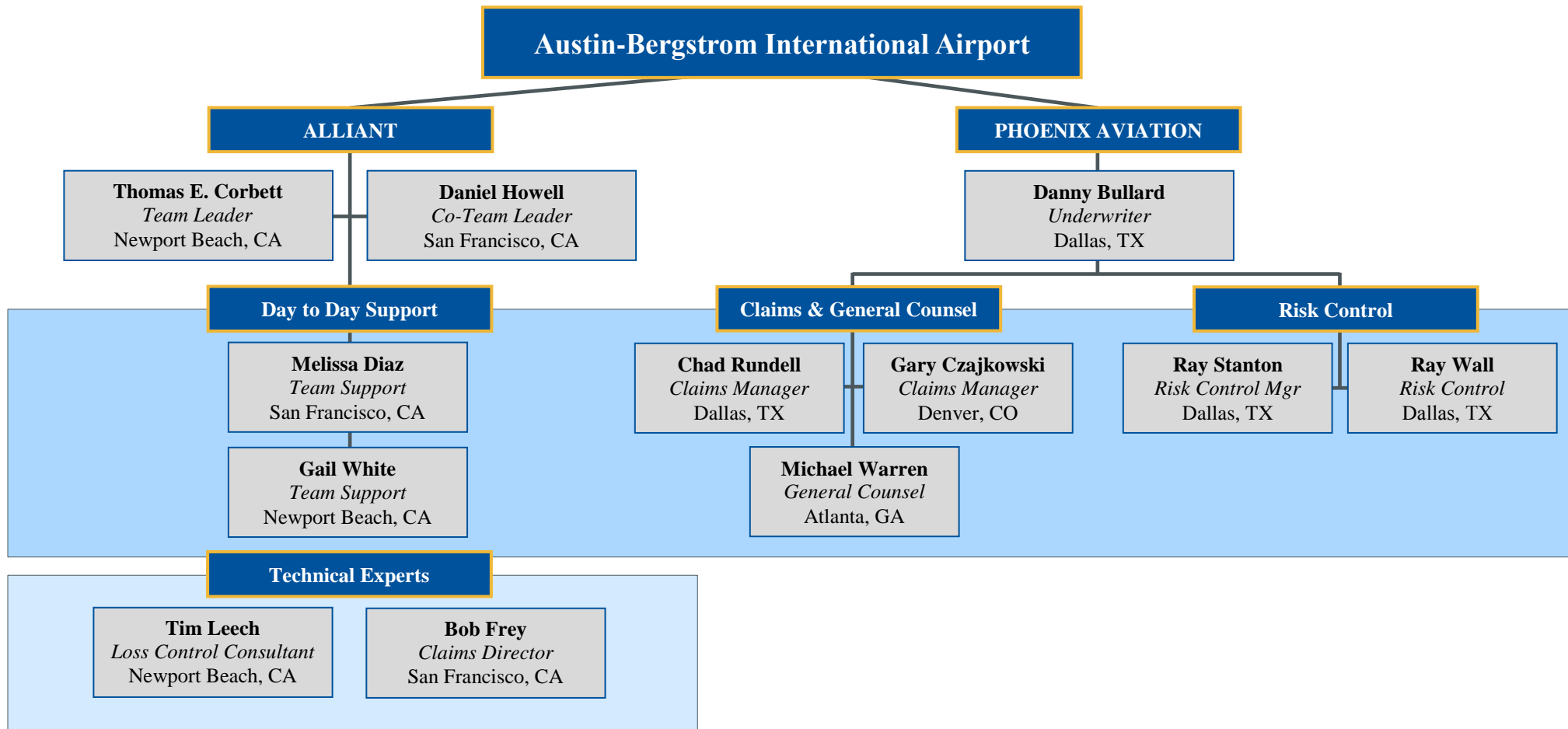
Alliant's Public Entity Division, which includes 100 airports and heliports of different sizes across the United States, is believed to be the largest concentrated collection of insurance professionals dedicated solely to the public agency sector, currently placing over \$1 billion in insurance premium.

Alliant approaches the servicing of accounts differently than its competitors. It is their belief that regardless of physical location, it is in their clients' best interest to have the most experienced and specialized resources available to them. Alliant is committed to performing all of the services requested by ABIA at the highest level and these services will be provided primarily out of the corporate office in Newport Beach, California with additional support from the San Francisco office.

The professional background of the proposed Alliant service team demonstrates first-hand experience with the placement of the unique exposures of airports. The service team chosen for ABIA is comprised of senior level brokers and service personnel. Tom E. Corbett, in Newport Beach, has been hand-picked to serve as the lead broker for ABIA due to his significant experience working with some of the largest and most complex airport placements in the country, and for managing the Alliant Airport Liability Program (AALIP). Another proposed team member, Gail White, provides day-to-day support to Tom E. Corbett on AALIP. Although ABIA's account will be easily managed by a team in Newport Beach and San Francisco, Alliant has the ability to call upon additional support from the Houston, Texas office.

Please see the following page for an Organizational Chart depicting the concept of the Alliant proposed service team structure.

A. PART I - PROVIDER QUALIFICATIONS



Please refer to **Appendix A** for all Alliant service team resumes.

A. PART I - PROVIDER QUALIFICATIONS

These team members will be involved on a daily basis for consultation, conference calls, marketing, and servicing of ABIA. Your entire team is 100% dedicated to servicing your account.

Since 1988, Alliant has been serving the aviation insurance needs of public agencies throughout California. Seven years ago they embarked on the expansion of their long-standing CSAC EIA Airport Program by creating the California Airport Liability Insurance Program (CALIP). Simultaneously, they grouped together their municipal aircraft clients to form the California Aircraft Municipal Program (CAMP). While the names of the Programs reference California, where each was originally launched, both Programs are available nationwide. Merely having a specialized program available when negotiating with underwriters results in additional premium savings and coverage enhancements and they are *exclusively* available to Alliant clients.

AALIP was originally developed to consolidate the numerous airport clients throughout California. Through the 'group-purchase' approach, Alliant has been able to reduce member premiums by more than 50% in the last four years. Phoenix Aviation, their long time carrier partner on the program has agreed to assist Alliant in growing outside of California by providing the same broad coverage, expansive limits, and competitive pricing to entities in other states.

In addition to AALIP, Alliant has taken the same 'group-purchase' approach with smaller programs to help drive down the overall cost of risks for its clients. These programs include:

- ACIP – Alliant Crime Insurance Program
- FLIP – Fiduciary Liability Insurance Program
- CLIP – Catastrophic Liability Insurance Program
- SPIP – Special Airport Property Insurance Program
- Special Events Liability Program
- Vendors/Contractors Program and Vendors Professional Liability Program

Specialization

Alliant works with more than 100 airports and heliports across the country. Alliant has dealt with unique liability aviation claims and feel that this expertise will bring the most value to ABIA, both financially and on a risk management level. Your proposed service team is a core representation of Alliant's Airport division, and many work with both small regional and large international airports. Many of these entities are placed on a standalone basis while others are part of a larger municipality's overall placement. Regardless, ABIA can be assured your service team has first-hand experience working with similar entities.

Below is a sample list of Alliant's airport clientele; many are similar in both scope and size as ABIA.

- St. Paul International Airport
- Asheville Regional Airport
- Oakland International Airport
- Evanston-Uinta Authority Airport

A. PART I - PROVIDER QUALIFICATIONS

- Seattle-Tacoma International Airport
- Sacramento International Airport
- San Francisco International Airport
- Southern California Regional Airport Authority
- Bellingham International Airport
- John Wayne International Airport
- Juneau International Airport
- Fresno International Airport
- Crystal Airport
- Weyers Cave Airport
- Farmville Municipal Airport
- Farmville Regional Airport
- Warrenton-Fauquier Airport
- William H. Tuck Airport
- Natrona Authority International Airport
- Augusta Authority Service Authority
- Manassas Regional Airport
- Prince William Authority Service Authority
- Suffolk Executive Airport
- A.C. Perkins Municipal Airport
- Chase City Municipal Airport
- Crewe Municipal Airport
- Hanover Authority Airport
- Johnson Authority Airport
- Long Beach Airport
- Minter Field Airport
- Hot Springs Authority-Thermopolis Municipal Airport
- St. Paul Downtown Airport
- Air Lake Airport
- Anoka Authority Blaine Airport
- Lake Elmo Airport
- Flying Cloud Airport
- Cheyenne Airport
- Laramie Airport
- Riverton Airport
- Saratoga Airport
- Big Bear Airport – Liability
- Ketchikan International Airport
- NW Arctic Airport
- San Bernardino International Airport
- Santa Ynez Valley Airport
- King Authority/Boeing Field
- Merced Authority-Castle Airport
- Carlsbad Airport
- Kenai Airport
- Olympia Airport
- Fort Bridger Airport

iii. Provide financial data for the carrier(s). Acceptable information would include a current Best's Rating, Standard & Poor's Rating, financial statements and/or annual reports.

Phoenix Aviation is licensed to do business in the State of Texas.

Old Republic Insurance Company has the following ratings as of 4/16/2015:

- A+ A.M. Best
- A2 Moody's
- A+ Standard & Poor's

Complete financial statements can be found at: <http://www.oldrepublic.com/index.htm>

A. PART I - PROVIDER QUALIFICATIONS

iv. For each carrier proposing coverage provide a list of current Texas and out-of-state policy holders with exposures analogous to those of ABIA including aviation exposures of governmental entities.

Old Republic Insurance Company and Phoenix Aviation Managers maintain a strict privacy policy of not sharing names or information of its policyholders with third parties. Phoenix Aviation would expect that the City of Austin would understand the nature of that confidentiality and benefit from the privacy policy (attached in **Appendix B**) should they choose to place their coverage with us.

B. PART II - COVERAGE AND LIMITS

City of Austin Aviation is interested in reviewing the most affordable and comprehensive coverage options in order to obtain a package of coverage that will be most beneficial for ABIA.

- i. Minimum Coverage Requirements: ABIA requires at a minimum, quotes to contain the basic coverage provisions identified in the 0500, Scope of Work, and comprehensive coverage for the nature of the operations present at an airport of this size and with the operations currently residing there.
- ii. Minimum Limits: Quotes should, at a minimum, be offered the limits requested on the Airport Liability Quote Sheet (0600B Quote Sheet).
- iii. Submission Requirements:
 - (1) Proposers providing coverage quotations must complete the attached Airport Liability Quote Sheet for each carrier(s) quotation. (0600B Quote Sheet)
 - (2) Attach a sample policy form and endorsements for the carrier quoting the coverage.
 - (3) Highlight important exclusions, restrictions and conditions that will be found in the coverage you are proposing.
 - (4) Aviation is interested in reviewing alternate coverage options. Utilizing your experience and expertise in providing coverage for entities like the airport provide any alternate quotations/options you feel the department of Aviation should consider based upon the exposures present at ABIA.

Please refer to the following pages.

B. PART II - COVERAGE AND LIMITS

Submission Requirements	
Alternative Coverage Options	For alternate Limits of Liability when deductibles are \$10,000 EEL/ \$100,000 Aggregate \$150 million = \$89,625 \$200 million = \$119,500 \$250 million = \$149,375
	For alternate Limits of Liability with no deductible \$25 million = \$19,250 \$50 million = \$38,500 \$100 million = \$74,000 \$150 million = \$110,250 \$200 million = \$138,750 \$250 million = \$178,750

War Risks, including TRIA, would be 10% of the Liability premium for the given limit. Additionally, we have included a copy of Phoenix Aviation's TRIA Notice that must be attached to any quote issued on behalf of Phoenix Aviation Managers, Inc.

**CITY OF AUSTIN
PURCHASING OFFICE
QUOTE SHEET
SOLICITATION NUMBER: RFP JRD0304**

Proposers submitting a quote must complete a separate quote sheet for each carrier they are representing. Please do not leave any item blank. If an item is not applicable indicate this with an "N/A."

1. Primary Carrier quoting the coverage:

- a. Current A.M. Best Rating: **A+**
- b. Is the carrier admitted and licensed to write business in Texas? **Yes**
- c. Is the carrier registered with Texas as an approved surplus lines carrier? **No, not necessary.**
- d. Is the premium guaranteed for more than one year? **No.**

COVERAGE	INDICATE LIMIT BEING QUOTED AND/OR 'YES' OR 'NO' FOR PROVISIONS
Liability Per Occurrence for Bodily Injury, Property Damage combined single limit per occurrence arising from the insureds premises and operations including mobile equipment and automotive equipment while on the insured's premise or adjoining ways.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Boards and Commissions subsidiary agencies and all of the members, officers, servants, volunteer workers, officials, and employees with respect to liability arising out of the activities of the named insured or activities performed on behalf of the named insured including the airport manager while acting within the scope of his/her duties.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Products/Co Ops annual aggregate	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Medical Expense	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Malpractice annual aggregate	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Fire Damage Limit any one Fire	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Personal and Advertising Injury annual aggregate	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Auto (on premises)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Auto Excess Liability Off Premises -- any one Accident/Occurrence and in the Annual Aggregate excess the primary	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Baggage Liability	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Blanket Contractual Liability	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Cancellation	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Contingent Air Show Liability	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Contingent Liquor Liability	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Control Tower-Contingent	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Damage to Autos	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Discrimination	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

**CITY OF AUSTIN
PURCHASING OFFICE
QUOTE SHEET
SOLICITATION NUMBER: RFP JRD0304**

Excess Employers Liability (excluding disease) of any one Accident/Occurrence	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Fellow Employee Exclusion	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Garagekeepers	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Hangarkeepers Limit (not in flight) Any One Occ/Any One Aircraft to include incidental control of aircraft which the insured shall become legally obligated to pay as damages because of injury to or destruction of any aircraft which is the property of others.	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Immunity Waiver	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Inadvertent failure to report	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Independent Contractors coverage	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Knowledge of Occurrence	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Land Acquisition Endorsement	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Mutual Aid Agreements	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
National Incident Management System Response Plan	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Non-Owned Aircraft Liability any One Occurrence	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Passenger Misdirection	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Physical Damage to Non Owned Aircraft	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Pollution or Contamination of products sold or supplied	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Pollution Coverage including noise.	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Static Display of Aircraft	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Volunteers included as Employees	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Texas Tort Liability Claims Act Endorsement including language prohibiting the carrier to pay claims exceeding the amount indicated by law without first providing written notice and consent from the City.	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Cancellation Provision of 120 days except 10 days for Non-payment	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Compliance with all Minimum Requirements identified in Section 4.1 of the 0500 Scope of Work section of this RFP	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Can carrier guarantee a premium quote for multiple years?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

**CITY OF AUSTIN
PURCHASING OFFICE
QUOTE SHEET
SOLICITATION NUMBER: RFP JRD0304**

2. **Premium Quotations:** The City is requesting quotes at different Limits of Liability. Proposers can quote any or all options and can also propose alternative options The City desires to review quotes with the ability to determine the final scope of coverage by adding premium charges for coverage enhancements to a defined base premium.

Option 1

Limit of Liability \$25,000,000 each occurrence
Deductible \$10,000/\$100,000 Annual Aggregate Deductible

City handling claims within the deductible

Premium Based on Provisions Indicated Above: \$16,750

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$25 Million	Premium: \$1,675
TRIA Limit and Premium: Included above	

Option 2

Limit of Liability \$25,000,000 each occurrence
Deductible \$500,000/\$2,000,000 Annual Aggregate Deductible

City handling claims within the deductible

Premium Based on Provisions Indicated Above: \$14,250

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$25 Million	Premium: \$1,425
TRIA Limit and Premium: Included above	

Option 3

Limit of Liability \$50,000,000 each occurrence
Deductible \$10,000/\$100,000 Annual Aggregate Deductible

City handling all claims within the deductible

Premium Based on Provisions Indicated Above: \$32,500

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$50 Million	Premium: \$3,250
TRIA Premium: Included above	

Option 4

Limit of Liability \$50,000,000 each occurrence
Deductible \$500,000/\$2,000,000 Annual Aggregate Deductible

City handling all claims within the deductible

Premium Based on Provisions Indicated Above: \$29,750

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$50 Million	Premium: \$2,975
TRIA Limit and Premium: Included above	

CITY OF AUSTIN
PURCHASING OFFICE
QUOTE SHEET
SOLICITATION NUMBER: RFP JRD0304

Option 5

Limit of Liability \$100,000,000 each occurrence
Deductible \$10,000/\$100,000 Annual Aggregate Deductible

City handling all claims within the deductible

Premium Based on Provisions Indicated Above: \$59,750

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: **\$100 Million** Premium: \$5,975
TRIA Limit and Premium: Included above

Option 6

Limit of Liability \$100,000,000 each occurrence
Deductible \$500,000/\$2,000,000 Annual Aggregate Deductible

City handling all claims within the deductible

Premium Based on Provisions Indicated Above: \$55,250

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$100 Million Premium: \$5,525
TRIA Limit and Premium: Included above

AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY

DECLARATIONS

POLICY NUMBER:
Insurer: OLD REPUBLIC INSURANCE COMPANY

NAMED INSURED:

Location of the airport(s) you own or operate:

The Named Insured is:

Policy Period: FROM TO
At 12:01 A.M. Standard Time at the address of NAMED INSURED
as shown above.

In return for the payment of the premium, and subject to all the terms of
This policy, we agree with you to provide the insurance as stated in this policy.

Limits of Insurance:

Products-Completed Operations Aggregate Limit \$
Personal Injury and Advertising Injury Aggregate Limit \$
Malpractice Aggregate Limit \$
Each Occurrence Limit \$
Fire Damage Limit Any One Fire \$
Medical Expense Limit Any One Person \$
Hangarkeepers Limit Any One Aircraft \$
Hangarkeepers Limit Any One Occurrence \$

Deductibles:

Each Occurrence or Offense Deductible \$
Aggregate Deductible \$

Premium:

Advance Premium \$
Endorsement Premium \$
Total Advance Premium \$

PAM-PR-201 (11/01)

OLD REPUBLIC INSURANCE COMPANY

DECLARATIONS

POLICY NUMBER

PAGE 2

Endorsements forming a part of this policy as stated in the Declarations
CTXGA (01/08) , PA313 (02/05) , PDPAM (01/08) , PRCAN (03/97) , PR204 (01/00) ,
PR220 (06/95) , PR237 (10/96) , PR242 (12/96) , PR258 (06/98) ,
PR267 (06/00) , 2000a (03/01)

PRODUCER:

SPECIMEN COPY

PAM-PR-201 (11/01)



Airport Owners and Operators Liability Policy



Issuing and Policyholder Servicing Offices:

Phoenix Aviation Managers, Inc. (Corporate Office)

1990 Vaughn Road, Suite 350

Kennesaw, Georgia 30144

Phone: (770) 590-4950

Fax: (770) 590-0599

Phoenix Aviation Managers, Inc.

15660 North Dallas Parkway, Suite 400

Dallas, Texas 75248

Phone: (972) 991-7223

Fax: (972) 490-7069

Phoenix Aviation Managers, Inc.

215 Shuman Blvd., Suite 208

Naperville, Illinois 60563

Phone: (630) 369-1076

Fax: (630) 369-1221

Phoenix Aviation Managers, Inc.

199 Water Street, 30th Floor

New York, New York 10038

Phone: (212) 607-2624

Fax: (212) 607-2614

Phoenix Aviation Managers, Inc.

555 S. Renton Village Place, Suite 550

Renton, Washington 98057

Phone: (425) 277-7407

Fax: (425) 277-0112

AIRPORT OWNERS AND OPERATORS LIABILITY POLICY
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AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY
POLICY PROVISIONS

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION III).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION VI).

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result, but:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION IV); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E.

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) The "bodily injury" or "property damage" arises out of your "airport operations".
- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions.

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the insured would have in the absence of the contract or agreement.

c. Liquor Liability

"Bodily injury" or "property damage" for which the insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

Premises at the "airport" which you lease to others who are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages, will not be treated as your business.

d. Workers Compensation and Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employers Liability

"Bodily injury" to:

- (1) An employee of the insured arising out of and in the course of employment by the insured; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the Insured under an "insured contract".

f. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by, rented, loaned or leased to the insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

- (1) An "auto" or watercraft while on the "airport";
- (2) An "auto" or watercraft while not on the "airport" if responding to an aviation emergency; or
- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of watercraft.

g. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to the insured; or
- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

h. Airmeet, Contest or Exhibition

"Bodily injury" or "property damage" arising out of:

- (1) The conduct of any airmeet, contest or exhibition permitted, sponsored or participated in by any insured; or
- (2) The ownership maintenance or use of grandstands, bleachers or observation platforms

Paragraph (1) of this exclusion does not apply to static displays.

Paragraph (2) of this exclusion does not apply to observation decks or promenades that are part of a permanent structure on the "airport".

i. Swimming Pools or Lodging Accommodation

"Bodily injury" or "property damage" arising out of the ownership, maintenance or use of:

- (1) Swimming pools; or
- (2) Lodging accommodation for the general public,

j. Control Tower

"Bodily injury" or "property damage" arising out of the direct operation of a control tower by any insured,

k. Damage to Property

"Property damage" to:

- (1) Property you own, rent or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned or leased to you;
- (4) Personal property, other than "aircraft", in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations;
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it; or
- (7) "Aircraft" in your care, custody or control or "aircraft" while being serviced, handled or maintained by you.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (4) of this exclusion does not apply to "property damage":

- (a) to an "auto" or "mobile equipment" when your control is solely traffic control, but this exception does not override Exclusion j. above;
- (b) to an "auto" while on the "airport"; or
- (c) to baggage or cargo handled by you, provided you are not handling the baggage or cargo as bailee for hire.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

Paragraph (7) of this exclusion does not apply to "property damage" to "aircraft" when your control is solely traffic control, but this exception does not override Exclusion j above.

l. Damage to Your Product

Property damage" to "your product" arising out of it or any part of it.

m. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through o. do not apply to damage by fire to premises rented to you. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (SECTION IV).

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that you become legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any offense and settle any claim or "suit" that may result, but:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION IV); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E.

- b. This insurance applies to:

- (1) "Personal injury" caused by an offense excluding advertising, publishing, broadcasting or telecasting done by or for you;

- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if:

- (a) The offense was committed or alleged to have been committed unintentionally by you or any of your employees while engaged in their employment by you; and
- (b) The offense was committed or alleged to have been committed in the "coverage territory" during policy period and arises out of your "airport operations"

2. Exclusions.

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or
- (5) Arising out of the conduct of any airmeet, contest or exhibition permitted, sponsored or participated in by any insured. This exclusion does not apply to static displays.

b. "Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

c. Any offense which was committed or alleged to have been committed in any State which does not recognize a cause of action for that offense based in negligence.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement.

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On your "airport"; or
- (2) Because of your "airport operations";

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an employee of the insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Coverage A.

COVERAGE D. HANGARKEEPERS LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of physical injury to "aircraft" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result, but:
 - (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION IV); and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage D.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E.

- b. This insurance applies to physical injury only if:
 - (1) The "aircraft" is in your care, custody or control or while the "aircraft" is being serviced, handled or repaired by you; and
 - (2) The physical injury to "aircraft" is caused by an "occurrence" that takes place on the "airport"; and
 - (3) The physical injury to "aircraft" occurs during the policy period.
- c. Damages because of physical injury include damages claimed for all resultant loss of use of such aircraft.

2. Exclusions.

This insurance does not apply to:

- a. Physical injury to "aircraft" you own.
- b. Physical injury to "aircraft" you rent, lease or which are on loan to you.

- c. Physical injury to "aircraft" while "in flight".
- d. Physical injury to "aircraft" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability that the insured would have in the absence of the contract or agreement.

COVERAGE E. NON-OWNED AIRCRAFT LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result, but:
 - (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION IV); and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage E.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E.
- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) The "bodily injury" or "property damage" arises out of your use of any aircraft, or its use on your behalf, provided that:
 - (a) The aircraft is not owned by you in whole or in part;
 - (b) The aircraft is not on lease to you;
 - (c) The aircraft is not subject to a lease-purchase agreement to which you are a party; and
 - (d) The aircraft is used in connection with your "airport operations".
- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
 - (1) Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
 - (2) That the insured would have in the absence of the contract or agreement.

- c. "Property damage" to the aircraft.
- d. Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- e. "Bodily injury" to:
 - (1) An employee of the insured arising out of and in the course of employment by the insured; or
 - (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the Insured under an "insured contract".

- f. "Bodily injury" or "property damage" included in the "products-completed operations" hazard.
- g. "Bodily injury" or "property damage" arising out of your use of any aircraft or its use on your behalf, if the aircraft is operated "in flight" by a pilot who is not properly certificated and rated by the F.A.A. for the flight involved.

This exclusion does not apply if the aircraft so operated is without your knowledge or consent.

- h. "Property damage" to:
 - (1) Property you own, rent or occupy;
 - (2) Property loaned or leased to you;
 - (3) Personal property in the care, custody or control of the insured.

SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E

We will pay, with respect to any claim or "suit" we defend:

- 1. All expenses we incur.
- 2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- 3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- 4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
- 5. All costs taxed against the insured in the "suit".
- 6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- 7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - COMMON COVERAGE EXCLUSIONS

All Coverages included in this policy are subject to the following exclusions.

A. Noise and pollution and other perils.

1. This policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-
 - (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
 - (b) pollution or contamination of any kind whatsoever,
 - (c) electrical and electromagnetic interference,
 - (d) interference with the use of property;unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.
2. With respect to any provision in the policy concerning our duty to investigate or defend claims, such provision shall not apply and we shall not be required to defend:
 - (a) claims excluded by Paragraph 1; or
 - (b) a claim or claims covered by the policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").
3. In respect of any Combined Claims, we shall (subject to proof of loss and the limits of insurance) reimburse you for that portion of the following items which may be allocated to the claims covered by the policy:
 - (i) damages awarded against any insured; and
 - (ii) defense fees and expenses incurred by any insured.
4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.

B. War, hi-jacking and other perils.

This policy does not cover claims caused by:

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotion's or labor disturbances.
- (d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.
- (f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without the consent of the Insured.

Furthermore this policy does not cover claims arising while the aircraft is outside the control of the insured by reason of any of the above perils.

The aircraft shall be deemed to have been restored to the control of the insured on the safe return of the aircraft to the insured at an airfield not excluded by the "coverage territory" of this policy, and entirely suitable for the operation of the aircraft (such safe return shall require that the aircraft be parked with engines shut down and under no duress).

C. Radioactive Contamination.

1. This policy does not cover:
 - (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom
 - (b) any legal liability of whatsoever nature
directly or indirectly caused or contributed to by or arising from ionizing radiations or contamination by radioactivity from any source whatsoever.
2. Loss, destruction, damage, expense or legal liability which, but for the provisions of paragraph 1. of this exclusion, would be covered by this policy, and is directly or indirectly caused or contributed to by or arises from ionizing radiations or contamination by radioactivity from any radioactive materials in course of carriage as cargo under International Air Transport Association Regulations, shall (subject to all other provisions of this policy) be covered, provided that:
 - a. it shall be a condition precedent to our liability that the carriage of any radioactive material shall in all respects comply with the current regulations issued by the International Air Transport Association relating to the carriage of restricted articles by air;
 - b. this policy shall only apply to any claim made against the insured arising out of any accident or incident occurring during the period of this insurance and any such claim made by the insured against us or by any claimant against the insured shall have been made within three years after the date of the occurrence giving rise to the claim;
 - c. the cover afforded by this paragraph 2. may be cancelled at any time by us giving seven days notice of cancellation.

SECTION III - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to your "airport operations".
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to your "airport operations".
 - c. A public corporation, you are an insured. Your elective or appointive officers or members of any board or commission or agency of yours are also insureds, but only with respect to your "airport operations".
 - d. An organization other than a partnership, joint venture or public corporation, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you with respect to your "airport operations".
- b. If you are designated in the Declarations as a public corporation, employees of your boards, commissions or agencies, other than executive officers, but only for acts within the scope of their employment by those boards, commissions or agencies with respect to your "airport operations".

However, no employee of yours or your boards, commissions or agencies is an insured for:

- (1) "Bodily injury" or "personal injury" to you or to a co-employee while in the course of his or her employment, or the spouse, child, parent, brother or sister of that co-employee as a consequence of such "bodily injury" or "personal injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury; or
 - (2) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services; or
 - (3) "Property damage" to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture).
 - c. Any person (other than your employee), or any organization, while acting as your real estate manager.
 - d. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - e. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. "Bodily injury" to a co-employee of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION IV - LIMITS OF INSURANCE AND DEDUCTIBLES

A. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for all damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. The Personal and Advertising Injury Aggregate Limit is the most we will pay under Coverage B for the sum of all damages because of "personal injury" and "advertising injury".
4. The Malpractice Aggregate Limit is the most we will pay under Coverage A for all damages because of "malpractice".
5. Subject to 2, 3 or 4 above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages because of all "bodily injury" and "property damage" under Coverages A and E; and
 - b. Medical expenses under Coverage C; and
 - c. Damages because of physical injury to "aircraft" under Coverage D. arising out of one "occurrence"; and
 - d. Damages because of all "personal injury" and "advertising injury" under Coverage B. arising out of one offense.
6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises rented to you arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.
8. Subject to 5. above, the Hangarkeepers Limit Any One Aircraft is the most we will pay under Coverage D for damages because of physical injury sustained by any one "aircraft" and the Hangarkeepers Limit Any One Occurrence is the most we will pay under Coverage D for physical injury sustained by all "aircraft" in any one "occurrence".

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

B. DEDUCTIBLES

1. Our obligation to pay:
 - a. Damages because of "bodily injury" and "property damage" under Coverages A and E; and
 - b. Medical expenses under Coverage C; and
 - c. Damages because of physical injury to "aircraft" under Coverage D arising out of one occurrence; and
 - d. Damages because of "personal injury" and "advertising injury" under Coverage B arising out of any one offense.

applies only to the amount of damages or medical expenses in excess of the Each Occurrence or Offense Deductible amount stated in the Declarations, but the limits of insurance applicable to Each Occurrence will not be reduced by the amount of such deductible, nor will Aggregate limits for such coverages be reduced by the application of such deductible amount.

2. The Aggregate Deductible amount stated in the Declarations is the most you will have to pay for all damages and medical expenses under Coverages A, B, C, D and E.

3. The terms of this insurance, including those with respect to:
 - (a) Our right and duty to defend any "suits" seeking those damages; and
 - (b) Your duties in the event of an "occurrence", claim, or suit apply irrespective of the application of the deductible amount.
4. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The aggregate deductibles of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed the last preceding period for purposes of determining the aggregate deductibles.

SECTION V – CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Policy.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverage A, B, D or E of this policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of "autos" or watercraft to the extent not subject to Exclusion f. of Coverage A (Section I).
- (4) That is Aircraft Liability insurance on any aircraft to which Coverage E (Section I) applies.

When this insurance is excess, we will have no duty under Coverage A, B, D or E to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Policy.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Changes.

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

10. Examination of your books and records.

We may examine and audit your books and records as they relate to this policy at anytime during the policy period and up to three years afterward.

11. Inspections and surveys.

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

12. Premiums and deductibles.

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums and deductibles; and
2. Will be the payee for any return premiums we pay.

13. Transfer of your rights and duties under this policy.

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

SECTION VI – DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Aircraft" under Coverage D means any aircraft or its parts or equipment.
3. "Airport" means the Airport(s) designated in the Declarations, including ways and means immediately adjoining such airport(s).
4. "Airport operations" means the ownership, maintenance, use or provision of premises, services and facilities necessary to the operation of the "airport".
5. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment, but "auto" does not include "mobile equipment".
6. "Bodily injury" means:
 - a. Bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time; or
 - b. Fright or mental anguish sustained by a person.

7. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
9. "In flight" means:
- a. With respect to a fixed wing aircraft, from the time the aircraft moves forward in attempting to take off until the aircraft has completed its landing run.
 - b. With respect to a rotorcraft, while its rotors are in motion as a result of engine power or autorotation.
10. "Insured contract" means:
- a. A lease of premises;
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contractor agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and effecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- c. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in b. above and supervisory, inspection or engineering services; or
- d. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Malpractice" means malpractice, error or mistake by a physician, surgeon, nurse, medical technician or other person performing medical services on behalf of an insured in the provision of emergency medical relief.

13. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing;
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

14. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

15. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

- a. Mistaken arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy;
- f. Unintentional discrimination;
- g. Misdirection of a passenger by an insured to the wrong aircraft, automobile or other connecting transportation; or

The offenses described in paragraph f. of this definition do not include personal injury arising out of the employment, past employment or future employment of a person by any insured.

16. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned.

b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- c. This hazard does not include "bodily injury" or "property damage" arising out of:
- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials;
 - (3) Products or operations for which the classification in this policy or in our manual of rules includes products or completed operations.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the "occurrence" that caused it.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

19. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

- "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

20. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations. "Your work" includes:
 - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - b. The providing of or failure to provide warnings or instructions.

The Following pages are not part of your Insurance Policy, but are provided for you as supplementary information. Below is an index of the documents that follow this page:

1. Phoenix Aviation Managers, Inc. Claims Contact list and Office Locations
2. Privacy Policy for Phoenix Aviation Managers, Inc. and Old Republic Insurance Company

Claims Specialists



www.pamav.com

Aviation Claims Service from an Expert Team

Please contact the claims specialist below in the nearest state to which the mishap occurred.

Home Office
Atlanta, Georgia
(or outside USA)

Tel: 770.590.4950
Fax: 770.919.8646

Baltimore, Maryland

Tel: 410.321.0314
Fax: 877.223.3830

Chicago, Illinois

Tel: 630.369.1076
Fax: 630.369.1221

Dallas, Texas

Tel: 972.991.7223
Fax: 972.720.1117

Denver, Colorado

Tel: 303.989.7902
Fax: 720.247.4884

Los Angeles, California

Tel: 805.496.7181
Fax: 805.496.7189

New Orleans, Louisiana

Tel: 504.527.6160
Fax: 504.527.6391

Seattle, Washington

Tel: 425.277.7407
Fax: 425.277.0112

St. Augustine, Florida

Tel: 904.687.0132
Fax: 904.239.5445

St. Louis, Missouri

Tel: 636.536.0832
Fax: 877.223.3830

All Offices Mail to:
PO Box 440757
Kennesaw, GA 30160



C. PART III - CLAIMS HANDLING SERVICES

- i. *Describe in detail the carrier's philosophy with regard to claim and litigation management. Also describe the carrier's practices and decision making criteria with regard to handling claims that fall under the Texas Tort Claims Act. Identify who retains the oversight and control of claims.*

Phoenix Aviation Claim and Litigation Management

Phoenix Aviation's general philosophy with regard to claims and litigation management including those claims that fall under the Texas Tort Claims Act (TTCA) can be summarized as follows:

- Claims reporting and acknowledgment is available 24/7 either online or by telephone.
- Phoenix Aviation will deal professionally with customers and claimants, which includes effective and timely communication.
- Claim files will be well documented and include a proposed course of action for claim resolution.
- Upon receipt of a new liability claim, prompt contact with ABIA and when appropriate the claimant (or his/her counsel) will be made. ABIA will receive regular updates on the status of the claim.
- Phoenix Aviation's goal is to resolve meritorious claims in a timely fashion based on the respective liability and/or damages of the involved parties while carefully managing associated expenses. Unnecessary lawsuits and the significant time and expense associated therewith will be avoided when possible.
- Litigation when necessary is managed with a defined strategy to resolve or defend the suit.
- The types of claims encompassed by the TTCA and the caps associated with same will factor into the resolution strategy and analysis.
- Phoenix Aviation will work closely with the City on lawsuits filed against the City for Airport Liability and received by the City of Austin Law Department.
- Phoenix Aviation will work promptly and closely with the City Claims investigators on claims anticipated to exceed the \$10,000 deductible.
- Review the monthly claims report received from the City for all claims under the deductible.

C. PART III - CLAIMS HANDLING SERVICES

- Maintain responsibility for administrative expenses of claim adjustment services over the City's \$10,000 deductible.
- Phoenix Aviation acknowledges that if the City reaches the \$100,000 deductible aggregate in any one year, all future claims will be handles by Phoenix Aviation.

The oversight and control of the claim process remains vested in the Phoenix Aviation claim department from inception to final resolution. Higher levels of claim management will be involved based upon the complexity and dollar threshold of the individual claim.

Phoenix Aviation acknowledges that "all claims adjusters, attorneys, and other persons who handle, administer, or defend claims asserted against the City pursuant to a policy issued in response to this solicitation must be trained and familiar with the immunities enjoyed by the City, and the limited exceptions to those immunities under the Texas Tort Claims Act," and upon selection will verify this in writing within one hundred and twenty (120) days of the inception date of the initial policy.

As noted in the RFP Phoenix Aviation will NOT settle or pay any claim for bodily injury or death in an amount greater than \$250,000 or for property damage in an amount greater than \$100,000 without prior consent of the City Attorney.

Alliant Claims Advocacy

Alliant fully understands that the true value of any insurance brokerage contract can only be determined by its response to loss and how well the firm works with its respective carriers. Due to Alliant's significant experience working with public entities, they have developed an effective in-house claims department run by some of the most talented personnel in this sector. The Alliant Claims Advocacy Team is located in San Francisco and is led by Robert (Bob) Frey. Bob leads a team of seven senior claims professionals including three forensic accountants. Unlike other firms, Alliant does not separate the claims function from the placement function. The senior brokers assigned to ABIA also have large claims experience.

Bob's most valuable role will be to act solely as ABIA's claim consultant if required and advocate on difficult and severe claims to achieve prompt and equitable claims settlements. Bob's goal will be to complement and supplement Phoenix Aviation's efforts in obtaining quick and equitable claims resolutions while acting as ABIA's claims resource.

Bob and his service team's responsibilities include:

- Serve as your claims advocate with Phoenix Aviation, alternative financing markets, and applicable federal and state agencies.
- Report claims to Phoenix Aviation.
- Generate and deliver quarterly claims reports.

C. PART III - CLAIMS HANDLING SERVICES

- Generate and deliver electronic and hard copy annual loss runs to ABIA Risk Management within thirty (30) days after expiration of each annual policy term. Loss run data will include date and time of loss, descriptions of losses, paid and incurred, and include all losses under \$10,000 handled by the City Attorney's office.
- Alliant understands the City reserves the right to request semi-annual claims review meetings if the City deems it necessary, and will assist with coordination.
- Monitor claims activity on a pre-agreed schedule.
- Provide periodic file reviews, claim audits, and claim surveys with reports to Phoenix Aviation and ABIA per requested schedule.
- Attend on-site claims meetings as requested.
- Confirm deductible billings for accuracy.
- Be available on a 24/7 basis.
- Facilitate the deployment of vendors to handle a catastrophic event.
- Conduct pre-loss planning sessions and arrange discussions with vendors to ensure a prompt response to catastrophic events.
- Review claims notifications and abstracts to assure appropriate reporting to Phoenix Aviation.
- Assist in the procurement of Proof of Loss documentation, as necessary.
- Track the status of large or difficult open claims.
- Facilitate a dialogue between ABIA and assigned Phoenix Aviation adjusters.
- Respond to coverage questions.
- Review open claim reserves for appropriateness and accuracy.
- Work with Phoenix Aviation to correct loss reserves that are inappropriate for the specific loss.
- Advocate on difficult or disputed coverage issues.
- Assist in settlement negotiations.
- Travel and meet with loss team for large loss events.

Alliant often assists its clients in gathering facts, information, and knowledge that is used in the discussion and negotiation of disputed claims. In addition, the Alliant Claims Advocacy Team has the ability to call upon the Chairman and the President of Alliant when intervention with a carrier's executive management is necessary. While this step is not one often utilized, Alliant executives stand ready to assist ABIA whenever needed.

Excellent communication helps build success and we make the commitment to effectively communicate with ABIA throughout the claims adjustment and settlement process. This will come in the form of onsite meetings, telephone discussions, e-mails, and written communication. As the claim develops, Alliant will be in close contact with ABIA.

C. PART III - CLAIMS HANDLING SERVICES

Alliant Claims Success

Bob and his staff pride themselves on the orchestration of successful claim resolution. Every claim is different with different fact patterns and needs. The Alliant Claims Advocacy Team works directly with ABIA to develop plans in handling complex and large losses.

Those plans can include selection of experts for claim presentation, review of historical data, obtaining witness statements, photographic review, and negotiation strategy. It is important to pull all facts and information together in difficult, complex, or large loss situations and put them together in the best light for ABIA's claim presentation.

Bob and his team will act as an extension of ABIA staff and take the successful resolution of cases very seriously. In the last few years, the Alliant Claims Advocacy Team has successfully handled several large property losses with claim values ranging between \$10 million and \$41 million. Alliant handled several crime losses with claim values up to \$17 million. Further, Alliant has worked with and assisted its clients in the handling and resolution of various liability claims with settlement values up to \$50 million.

ii. For each carrier, provide a resume of the adjuster(s) who will be responsible for handling ABIA claims. Include information related to claims handling for governmental entities and experience in the application of the Texas or other states' Tort Claims Act.

Every successful business person knows that it's invaluable to have your company investments and assets protected. At Phoenix Aviation, they approach their customer's claims in the same manner they would want their personal claims handled. Their dedicated claim specialists include aviation adjusters, attorneys, and pilots who average over 15 years of aviation claims experience and can effectively manage all facets of aviation-related claims ranging from a simple claim to the most complex aviation accident.

It would be anticipated that the majority of attritional claims will be managed by Chad Rundell of the Phoenix Aviation Dallas Office. Chad and his manager, Gary Czajkowski are both licensed in Texas, experienced in working with governmental entities, and familiar with TTCA. If a complex issue arises which may impact the application of TTCA (i.e., was the alleged act of negligence a governmental or a proprietary function), local legal counsel will be consulted. Additionally, Michael Warren, Phoenix Aviation General Counsel and Director of Claims would be available. Please find their CVs below.

Chad Rundell – Phoenix Aviation Claims Manager

Chad joined Phoenix Aviation in 2005 and manages aircraft hull and liability claims in the South Central Region. Before joining Phoenix, Chad worked as a claims adjuster at Avemco, US Specialty,

C. PART III - CLAIMS HANDLING SERVICES

Universal Loss Management and LAD Aviation. He holds a commercial pilot's license with single engine, multi-engine and instrument ratings along with an airframe and power plant mechanic's license. Chad is a licensed adjuster in Texas, Louisiana, Mississippi, Arkansas, Oklahoma, and New Mexico.

Gary Czajkowski, Vice President

Phoenix Aviation Western Regional Claims Manager/Salvage Coordinator

Gary manages all aspects of aviation losses including on-site investigations, coverage reviews, first and third party complex claims and litigation management. Gary joined Phoenix Aviation in 2007 after working as claims liaison and safety analyst for an aviation insurance brokerage for five years. Prior to joining the insurance industry, he was an aviation consultant on technical issues regarding accident investigation and reconstruction. Gary holds a Bachelor of Science Degree in Professional Aeronautics with minors in Aviation Safety and Business Management from Embry Riddle Aeronautical University. He holds CFII, MEII and AGI pilot certificates, is a licensed airframe and power plant mechanic and a licensed claim adjuster in 18 states.

Michael E. Warren, Esq., Executive Vice President

Phoenix Aviation General Counsel & Director of Claims

As Director of Claims, Mike Warren oversees the day-to-day operations of Phoenix Aviation's claims services. Mike launched his career in aviation insurance as a senior claims supervisor and attorney with the United States Aircraft Insurance Group (USAIG), New York. Thereafter, he joined the law firm of Gallagher, Gosseen & Faller, New York, practicing product liability and aviation law. Mike subsequently assumed the role of Vice President of ICALM Group, Chapel Hill, managing aviation-related matters for major insurers in the European Market as well as self-insured clients. In 2000, Mike joined Travelers Insurance Company and held a variety of senior technical and managerial claim positions. He was appointed Vice President and Director of Claims for Travelers Aviation before joining Phoenix Aviation in 2010. Mike has a Bachelor of Arts in Economics from Brooklyn College and a Juris Doctor with honors from St. John's University School of Law. He is admitted to the federal and state bars of New York, holds adjuster licenses in sixteen states and is a certified mediator.

iii. Describe in detail loss reporting requirements and claims notification processes as well as defense counsel selection that will be used should the proposed carrier be awarded this procurement.

Occurrences, claims and lawsuits which have the potential to be covered under the policy should be reported as soon as possible. This enables Phoenix Aviation to commence a prompt and thorough investigation of the facts and to the extent necessary undertake an analysis of coverage. Phoenix Aviation will confirm receipt of all new claims in writing to ABIA and work cooperatively with ABIA

C. PART III - CLAIMS HANDLING SERVICES

to gather all appropriate information and documentation in defense of the claim and/or lawsuit. Phoenix Aviation maintains a panel of approved attorneys throughout the U.S.A. (including Austin, Texas). Phoenix Aviation approved attorneys have been thoroughly vetted and are familiar with their rigorous reporting requirements and quality standards. The specific attorney in the venue selected to represent ABIA will be based on the unique aspects of the particular claim or lawsuit.

iv. Describe the adjuster's response time should a serious claim occur and what services the City shall be provided when a serious liability claim arises.

Phoenix Aviation Claim reporting is available 24/7/365 either online or via telephone. In the event of a serious claim or emergency situation the response time by the Phoenix Aviation claim department will be virtually immediate. Phoenix Aviation provides a fully trained and equipped Emergency Response Team ready to rapidly deploy at a moment's notice to a major accident site. Depending on the level of severity, Phoenix Aviation may establish a command center at or near the accident locus and make contact with ABIA, the authorities in control of the site, and depending on the circumstances, the victims, their representatives, and perhaps first responders and other medical providers.

Alliant Airport Emergency and Disaster Claims Experience

An airport disaster can take many forms and be of varying degrees. Moreover, these types of catastrophes do not fall into a predictable pattern. That said, Alliant's experienced Claim Advocacy Team is prepared to respond to any level and type of catastrophe and will do so in a proactive fashion. Alliant will also leverage its long standing relationship with Phoenix Aviation and hold them accountable to providing all the necessary resources and services if an airport disaster were to occur.

The following are some of the tasks Alliant, collectively with Phoenix Aviation, are prepared to perform, again depending on the magnitude, type and complexity of the situation ABIA is faced with:

- Immediately respond to the site with an experienced and size appropriate "response team."
- Simultaneously to one above, identify immediate needs such as site containment and coordinate and dispatch additional response teams accordingly.
- Establish a command center at or near the airport.
- Identify alternative sites, as needed, to set-up and maintain administrative and operational activities; protect revenue streams.
- Coordinate and liaison with Phoenix Aviation adjusters and specialty contractors to assist in loss coordination and response plan.
- Communicate and coordinate Alliant efforts with ABIA's appointed representatives and spokespeople. This will perhaps include daily briefings and discussions on the materials and documentation that must be retrieved and maintained.
- As appropriate, liaise with the FAA, NTSB or other local, state or federal governmental agencies

C. PART III - CLAIMS HANDLING SERVICES

that may be involved (including OES and FEMA).

- Coordinate communications with the injured or in the case of deaths, their duly appointed representatives or next of kin.
- Since ABIA representatives will likely be the first people contacted, Alliant will coordinate the transition of communication it is receiving from family members, attorneys, and the press from ABIA to Alliant staff.
- As required, Alliant will work with Phoenix Aviation to retain attorneys and experts to represent the interests of ABIA.
- Alliant will oversee all environmental and hazmat concerns.
- Alliant will stay on scene as long as appropriate for the ABIA's operations to return to a reasonable level of normalcy.

D. PART IV - RISK CONTROL/ RISK ASSESSMENT SERVICES

- i. *Identify the firm that shall be conducting the annual Liability Risk Assessment and provide detail with regard to the history and service structure of the risk assessment firm. Indicate the location of the office.*

Phoenix Aviation Risk Control

An important part of staying in touch with ABIA's needs will be to find new ways to reduce risk and prevent loss that may not have been considered. The Phoenix Aviation Risk Control Program is a value-added service that will be provided to ABIA at no additional cost, to mitigate the frequency and severity of losses. Through their consultative services, they will provide recommendations for process improvement to reduce risk to equipment, property and personnel.

Phoenix Aviation Managers, Inc. maintains a team of in-house risk control specialists and would use the team based in Dallas to perform the annual Liability Risk Assessment. This team has extensive backgrounds in airport safety, flight operations, emergency response planning, and aircraft maintenance. They will provide ABIA personalized risk management programs to mitigate loss exposures, control costs and improve processes in conjunction with their claims services.

Phoenix Aviation provides a wide array of risk control services that can be customized to ABIA's unique business needs. Services may include, but will not be limited to:

- On-site safety and risk management surveys.
- Assessment of ramp, maintenance and flight activities.
- Review and assist in emergency response plan development.
- Assessment of training programs and procedures.
- Provide safety training related to liability exposures.
- Evaluation of accident investigation and "near miss" programs.
- Provide hazard analysis training and risk mitigation training.

Alliant will assist in coordinating with Phoenix Aviation the Annual Liability Risk Assessment of ABIA premises and operations. Alliant/Phoenix Aviation will ensure that the written report shall be delivered to City Risk Management within thirty (30) days after the physical assessment occurs.

D. PART IV - RISK CONTROL/ASSESSMENT SERVICES

Alliant Los Control Consulting

Should additional loss control resources be needed, Alliant will be able to supplement Phoenix Aviation's efforts. Due to over 40 years of public entity experience and working with 100 airports and heliports across the country, Alliant has invested in the development of innovative loss prevention services that will be available to ABIA if selected as your broker. Alliant has a full staff of loss prevention professionals that will assist ABIA with your loss prevention needs and based in the corporate office in Newport Beach, California. These innovative and technologically advanced resources are what make Alliant so unique to its competitors and they have the in-house resources to serve as a 'one-stop shop,' thus limiting the amount of outsourcing required to meet ABIA's risk management and program needs. The services Alliant offers will be tailored to ABIA's needs and may require an additional fee. However, Alliant has developed a number of no cost resources that ABIA can utilize to help better serve you including:

Alliant's Loss Prevention Library	Risk Control Hotline and Risk Alerts	Smart Phone Emergency Preparedness Application
Loss Control Webinars	Newsletters	Fact Sheets

Alliant will work with ABIA to develop a tailored loss prevention plan from the onset of the relationship. As part of the service plan, Alliant will facilitate an initial consultation with an Alliant loss control professional to review ABIA's current loss prevention strategy. As a result of this consultation, Alliant can determine where Alliant loss prevention personnel can supplement and complement the work Phoenix Aviation and/or ABIA is already providing.

Some examples of the work Alliant loss prevention professionals have completed with its public entity clients include:

- Alliant Loss Control developed and helped implement a comprehensive continuity plan/disaster recovery plan as well as an evacuation plan. The team also helped with exercising the plan.
- Alliant Loss Control developed and taught a hands-on, four day course to more than 25 maintenance and construction personnel on "how to inspect/assess structures for wind damage potential."
- Alliant Loss Control developed and taught a hands-on, one day course to more than 40 maintenance and construction personnel on "how to prevent freezing damage."

ii. Provide a resume of the risk assessment personnel that will be assigned to our account.

Phoenix Aviation risk assessment personnel Ray Stanton and Ray Wall are both based in Dallas, Texas. Please find their respective CVs on the following page.

D. PART IV - RISK CONTROL/ASSESSMENT SERVICES

Ray Stanton – Risk Control Manager | Dallas, Texas

Ray Stanton is an experienced IS-BAO auditor and implementer, assisting many corporate, airport and commercial flight operations attain IS-BAO registration as a Safety Management System compliant operator. Prior to joining Phoenix Aviation, Ray was the Vice President for Safety and Loss Control Services for AIG Aerospace. He has over 20 years' experience with occupational and aviation safety, and safety management systems. Previous risk control work experience includes Director of Safety for Omniflight Helicopters, Inc. where he was responsible for managing the safety program for 35 hospital contracts and a fleet of over 50 aircraft. He was also responsible for training and supervising 35 base safety specialists. Ray served as Check Airmen in the BK-117, EC-135 and BHT-206L helicopters and provided instrument proficiency training in airplanes for seven years. During his time with Omniflight, the company enjoyed five years without an accident. Ray retired from a 20-year career with the U.S. Army. Ray received his Bachelor's degree in Professional Aeronautics and an MBA from Embry-Riddle Aeronautical University. He holds a commercial certificate in both single and multi-engine airplanes, and helicopters. Ray is instrument rated in both categories and was a flight instructor in both airplanes and helicopters, including instruments.

Ray Wall – Risk Control | Dallas, Texas

Ray's experience spans over 30 years of conducting safety engineering evaluations worldwide and over 40 years of aviation experience. Prior to joining Phoenix Aviation in December 2014, Ray worked at Omniflight Helicopters, Inc. where he was responsible for regulatory compliance, risk management, operations, and safety. While at Bristow Helicopters, he was responsible for all worldwide quality and safety activities and also worked on global industry initiatives to reduce worldwide accidents with the International Helicopter Safety Team (AHS, HAI, etc.). Ray instructed Federal Aviation Administration (FAA) military and civilian personnel in accident investigation at the Transportation Safety Institute and instructed various other accident, in-flight fire and mid-air collision investigation courses. Ray was also a federal accident investigator with the National Transportation Safety Board (NTSB) and then with USAIG with responsibility for aviation risk management programs worldwide. Ray holds a Bachelor's Degree in Aeronautical Sciences and is a graduate of the U.S. Army's Safety Center, the NTSB's Accident Investigation School and the National Aviation Safety Academy. Ray holds a commercial pilot's certificate with instrument ratings in both airplanes and helicopters, single and multi-engine with over 6,000 hours of flight experience and served in the U.S. Army. During his 12 years in the Army, Ray was the Airfield Commander at the Wright Army Airfield.

Please refer to **Appendix A** for Tim Leech's resume representing Alliant Risk Control.

iii. Provide a sample report in the format and with the depth and breadth that City shall be receiving.

Please refer to **Appendix C** for a sample report.

D. PART IV - RISK CONTROL/ASSESSMENT SERVICES

iv. If there are other services available to the Airport, please describe these services and provide general costs that would be associated with them.

Alliant is able to provide additional services to ABIA as noted below.

Alliant Data Management and Technology

Alliant serves more than 10,000 public entity clients across the nation from a concentrated number of offices. This is accomplished through a comprehensive use of state-of-the-art technological solutions. Alliant CEO, Tom Corbett, has gone on record committing Alliant to become and remain a leader in using technology to improve client facing services and products. Alliant will utilize several on-line tools to manage data and provide information to ABIA. These are described below.

AlliantConnect

Alliant instituted the AlliantConnect client portal which is designed to enhance the firm's ability to communicate electronically with its clients. AlliantConnect is a dynamic, interactive, easy to use web based portal created especially for its public entity clients at no cost to ABIA. Alliant Connect provides:

- Secure 24 hour access to ABIA's insurance policy information (currently property only, but this will be expanded to include all lines of coverage)
- Help with Loss Control via the video library and loss control fact sheets
- Links to other Alliant Systems
 - CSR24 – for certificate requests

Customized Webinars and Training

As an Alliant client, ABIA will have access to their extensive webinar library as well as upcoming webinars. Alliant webinars are developed and presented by both Alliant staff members and third party experts. They are free of charge and offered on a monthly basis where any ABIA personnel can easily access these resources. Below is a sample of the webinars that Alliant has presented in the past and would be happy to provide training on topics determined by ABIA. These are available to play back on-line at any time:

- Identifying and Managing Electrical Hazards
- Preventing and Responding to Flood and Water Damage
- Lessons learned from Earthquakes
- Beyond Disaster Recovery: IT and Business Recovery
- Preparing for a Pandemic or Other Catastrophic Event

EPIC Agency Management System

The heart of the brokerage operations is conducted through its agency management system. Alliant has recently invested millions of dollars and thousands of staff hours to upgrade their system to the latest

D. PART IV - RISK CONTROL/ASSESSMENT SERVICES

EPIC AMS. EPIC was selected after an exhaustive review of the leading products. EPIC includes full on line client access to policy management and client servicing modules. EPIC supports paperless operations and Alliant is quickly removing file cabinets as more of our client service histories become available online.

CSR 24 Certificate Management System

Alliant utilizes CSR 24 to provide 24-7 access to certificate requests and history. This is a user friendly product that can allow multiple client users from ABIA to request and manage certificates.

Events Management System

The Events Management System provides a convenient and effective way to capture information immediately after an event or incident has occurred. The system is customizable and can be accessed from any location with an Internet connection. Events Management features include customizable paperless event reporting, integrated communication tools, reporting capabilities to identify trends and opportunities, easy transition from an event to a claim, and business rules automation for efficient workflow. The Events Management System can be configured to fit any business need, complex or simple.

Business Continuity Planning for Technology

Alliant has implemented a comprehensive business continuity plan that includes technology backup and recovery if needed following a critical catastrophic event.

Insurance Requirements in Contracts (IRIC) Training

The Alliant IRIC Manual is available electronically for all of its clients and details recommended insurance requirements for vendors working with Alliant clients. The manual provides guidance to ABIA staff involved in securing contracts with a variety of contractors and vendors. This manual is offered at no additional cost and Alliant is prepared to offer full or half-day training presentations to ABIA on the concepts contained in the IRIC Manual. The ABIA proposed service teams at Alliant will be prepared to assist in supporting your current practices and developing materials for your use.

Risk Management Tool Kit

Alliant provides its clients with multiple locations and operations a centralized place to provide insurance and risk management information. Alliant can create the manuals with ABIA information to be used by your risk management or administrative staff. We can include checklists, instructions on how to handle a special events, instructions for car rentals, claims reporting, etc.

D. PART IV - RISK CONTROL/ASSESSMENT SERVICES

Below is a list of additional services available to ABIA and the costs associated with them.

Service	Frequency/Comments	Cost
Loss Control Site Visits	As requested	\$175/per hour
Infrared Surveys	Daily Rate	\$1,800 - \$3,000/per day
Enterprise Risk Management	Upon request	\$200-\$300/per hour
Fire Plan Review	As needed	\$150- \$200/per hour
Hot Work Permit Program	Upon Request	Included
Loss Control Site Visits	As requested	\$175/per hour
Infrared Surveys	Daily Rate	\$1,800 - \$3,000/per day
Enterprise Risk Management	Upon request	\$200-\$300/per hour
Fire Plan Review	As needed	\$150- \$200/per hour
Hot Work Permit Program	Upon Request	Included
Fire Impairment Notification and Tags	Upon Request	Included
Pre-Construction Fire Planning	As needed	\$150-\$250/per hour
Business Continuity Management	Upon request	\$150-\$200/per hour
On Site Custom Training	Upon request	\$150-\$200/per hour
Program Development	Electrical, Water, Fire, IIPP	\$150 -\$200/per hour or priced on a project basis
Business Interruption	Upon request	Per Vendor Agreement
Industrial Hygiene Services	Upon Request	\$175-\$250/per hour
Live Webinar Training	10 Property Webinars Annually. Archived webinars for unlimited playback. 2014 Sessions Include: <ul style="list-style-type: none"> Woodworking Fire Prevention Roof Maintenance Business Occupancy Hazards Commercial Cooking Theft and Crime Prevention High Intensity Lighting Course of Construction Risk Brush Fire Planning Compressed Gas 	Included

D. PART IV - RISK CONTROL/ASSESSMENT SERVICES

Service	Frequency/Comments	Cost
	<ul style="list-style-type: none"> Life Safety Water Intrusion Plans 	
Safety Fact Sheet and Template Database	Access to hundreds of documents, power points and templates on a variety of property and safety topics	Included
Online Videos	Access to online streaming and DVD library of safety topics	Included
Risk Control Newsletter	Quarterly News Letter: Topics range from accident forensics, benefits of infrared surveys, roof inspections, crime prevention, OSHA, claims and many others	Included
Emergency Plan Mobile App	Annually	\$5,000 per plan
Travel	Based upon project location	Actual Expense
Appraisal Services	Based on building size and occupancy	Beginning at \$225 per building

E. PART V - PREMIUMS QUOTED

- i. *The proposal has provided details regarding the expansion of operations at the Austin Bergstrom International Airport over the next several years. Given the expansion details, with all other underwriting details being equal, what annual projection can you provide with regard to the percentage of increase in the premium that the City might expect based on the growth of the operation?*

The premium would increase proportionately with the actual growth as reported by ABIA.

We acknowledge that premium payments for this coverage may be requested to be in quarterly installments and we agree that no additional costs, such as interest will be applicable to this payment procedure.

Invoices for premium payments will be submitted by Alliant to the City Risk Management Division thirty (30) days before payment is due.

Transparency of Compensation

Alliant is committed to transparency in its compensation and business relationships. As an Alliant client, ABIA may at any time request that they provide information on Alliant compensation and they regularly provide compensation related information to their public entity clients annually.

- ii. *Is the carrier providing a formal “No Claims Bonus on Renewal”? If so, please provide specific details as to the application of the bonus, how it is calculated, and if it is guaranteed or not throughout the contract renewal terms of this procurement.*

Phoenix Aviation will offer a No Claims Bonus (NCB). This is different from a “No Claims Bonus on Renewal” as renewal with Phoenix/Old Republic would not be required to take advantage of the bonus. In most states, it is not legal to tie any coverage (bonus in this case) to a renewal.

E. PART V - PREMIUMS QUOTED

Nevertheless, Phoenix Aviation would calculate the NCB as follows:

- 70% of the Earned Premium x 15% = No Claims Bonus

Because of the deductible programs offered, Phoenix Aviation would consider “No Claims” as no claims paid or reserved by Phoenix Aviation. In other words, if all claims during the term of the policy were handled within the deductibles, then it would be deemed a “No Claims” term.

Lastly, the NCB would be a regular part of the renewals of the program with Phoenix Aviation.

F. PART VI - REQUIRED FORMS



Place all required City forms except the Airport Liability Quote Sheet(s) in this section.

Please refer to the following pages for all completed forms.



CITY OF AUSTIN, TEXAS
Purchasing Office
REQUEST FOR PROPOSAL (RFP)
OFFER SHEET

SOLICITATION NO: RFP JRD0304

DATE ISSUED: March 9, 2015

REQUISITION NO.: 5800 15021700206

COMMODITY CODE: 95313 / 95356 / 95377

COMMODITY/SERVICE DESCRIPTION: Airport Liability Insurance for Austin-Bergstrom International Airport

MARKET ASSIGNMENT DUE TIME AND DATE: 2:00 PM, Tuesday, March 24, 2015 via email

PRE-PROPOSAL CONFERENCE TIME AND DATE: 11:00 AM, Wednesday, April 8, 2015

LOCATION: Airport Administration Building, 2716 Spirit of Texas Drive, Austin, TX 78719, Room 160

FOR CONTRACTUAL AND TECHNICAL ISSUES CONTACT THE FOLLOWING AUTHORIZED CONTACT PERSON:

Jonathan Dalchau
Senior Buyer
Phone: (512) 974-2938
E-Mail: jonathan.dalchau@austintexas.gov

PROPOSAL CLOSING TIME AND DATE: 2:00 PM, Friday, April 24, 2015

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET RM 308, AUSTIN, TEXAS 78701

Sandy Wirtanen
Buyer II
Phone: (512) 974-7711
E-Mail: sandy.wirtanen@austintexas.gov

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below:

Address for US Mail (Only)	Address for Fedex, UPS, Hand Delivery or Courier
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation # RFP JRD0304	Purchasing Office-Response Enclosed for Solicitation # RFP JRD0304
P.O. Box 1088	124 W 8 th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 7870
	Reception Phone: (512) 974-2500

NOTE: Offers must be received and time stamped in the Purchasing Office prior to the Due Date and Time. It is the responsibility of the Offeror to ensure that their Offer arrives at the receptionist's desk in the Purchasing Office prior to the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. See Section 0200 for additional solicitation instructions.

All Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 ORIGINAL AND 6 ELECTRONIC COPIES OF YOUR RESPONSE
(Electronic copy should be a single scanned file of the original proposal per flash drive)

*****SIGNATURE FOR SUBMITTAL REQUIRED ON PAGE 3 OF THIS DOCUMENT*****

This solicitation is comprised of the following required sections. Please ensure to carefully read each section including those incorporated by reference. By signing this document, you are agreeing to all the items contained herein and will be bound to all terms.

SECTION NO.	TITLE	PAGES
0100	STANDARD PURCHASE DEFINITIONS	*
0200	STANDARD SOLICITATION INSTRUCTIONS	*
0300	STANDARD PURCHASE TERMS AND CONDITIONS	*
0400	SUPPLEMENTAL PURCHASE PROVISIONS	5
0500	SCOPE OF WORK	6
0600	PROPOSAL PREPARATION INSTRUCTIONS & EVALUATION FACTORS	4
0600B	QUOTE SHEET	4
0605	LOCAL BUSINESS PRESENCE IDENTIFICATION FORM – COMPLETE AND RETURN	1
0700	REFERENCE SHEET – COMPLETE AND RETURN IF REQUIRED	2
0800	NON-DISCRIMINATION CERTIFICATION	*
0805	NON-SUSPENSION OR DEBARMENT CERTIFICATION	*
0810	NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION	*
0835	NONRESIDENT BIDDER PROVISIONS – COMPLETE AND RETURN	1
Attachment A	AIRPORT UNDERWRITING INFORMATION	6
Attachment B	CURRENT ABIA COVERAGE	1
Attachment C	PREMIUM AND LOSS HISTORY	1
Attachment D	CARRIER LOSS RUNS	4
Attachment E	VEHICLES	1
Attachment F	ENVIRONMENTAL INFORMATION	1
Attachment G	PARKING SCHEMATICS	1
Attachment H	MARKET ASSIGNMENT	1
Attachment I	ANNUAL SUSTAINABILITY REPORT	15
Attachment J	ABIA TERMINAL SQUARE FOOTAGE	3
Attachment K	ABIA INSURANCE REQUIREMENT MINIMUM STANDARDS	28
Attachment L	AMPCO AGREEMENT	63

*** Documents are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of these Sections are available, on the Internet at the following online address:**

http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office located in the Municipal Building, 124 West 8th Street, Room #308 Austin, Texas 78701; phone (512) 974-2500. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

I agree to abide by the City's MBE/WBE Procurement Program Ordinance and Rules. In cases where the City has established that there are no M/WBE subcontracting goals for a solicitation, I agree that by submitting this offer my firm is completing all the work for the project and not subcontracting any portion. If any service is needed to perform the contract that my firm does not perform with its own workforce or supplies, I agree to contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service and am including the completed No Goals Utilization Plan with my submittal. This form can be found Under the Standard Bid Document Tab on the Vendor Connection Website:

http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS

If I am awarded the contract I agree to continue complying with the City's MBE/WBE Procurement Program Ordinance and Rules including contacting SMBR if any subcontracting is later identified.

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: Alliant Insurance Services, Inc.

Company Address: 1301 Dove Street, Ste. 200

City, State, Zip: Newport Beach, CA 92660

Federal Tax ID No. [REDACTED]

Printed Name of Officer or Authorized Representative: Tom E. Corbett

Title: Senior Vice President Producer

Signature of Officer or Authorized Representative: 

Date: 4/21/2015

Email Address: tecorbett@alliant.com

Phone Number: 949-660-8132

*** Proposal response must be submitted with this Offer sheet to be considered for award**

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS**

By submitting an Offer in response to the Solicitation, the Contractor agrees that the Contract shall be governed by the following terms and conditions. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a Solicitation to purchase Goods, and Sections 9, 10, 11 and 22 shall apply only to a Solicitation to purchase Services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all Deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.
2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.
3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package Deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price. Unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform with requirements of common carriers and any applicable specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.
4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the Deliverables under reservation and no tender of a bill of lading will operate as a tender of Deliverables.
5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the Deliverables shall pass to the City only when the City actually receives and accepts the Deliverables.
6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the Deliverables. The place of delivery shall be that set forth in the block of the purchase order or purchase release entitled "Receiving Agency".
7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the Deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.
8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of Deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.
9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby

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releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

10. WORKFORCE

- A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
- B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property .
 - i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
 - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
- C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

- 11. COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

12. INVOICES:

- A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.
- C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and Deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.
- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

**CITY OF AUSTIN
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13. **PAYMENT:**

- A. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the Deliverables or of the invoice, whichever is later.
- B. **If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**
- C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.
- D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
 - i. delivery of defective or non-conforming Deliverables by the Contractor;
 - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
 - iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
 - v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
 - vi. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
 - vii. failure of the Contractor to comply with any material provision of the Contract Documents.
- E. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
- G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any Deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

14. **TRAVEL EXPENSES:** All travel, lodging and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Solicitation will be reviewed against the City's Travel Policy as published and maintained by the City's Controller's Office and the Current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

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No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of detailed itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulations.

15. FINAL PAYMENT AND CLOSE-OUT:

- A. If an MBE/WBE Program Compliance Plan is required by the Solicitation, and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Project manager or Contract manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements of the Compliance Plan as accepted by the City.
- B. The making and acceptance of final payment will constitute:
 - i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and
 - ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. SPECIAL TOOLS & TEST EQUIPMENT: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. RIGHT TO AUDIT:

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- B. The Contractor shall include section a. above in all subcontractor agreements entered into in connection with this Contract.

18. SUBCONTRACTORS:

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective Deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.

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- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
- i. require that all Deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
 - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
 - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
 - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
 - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE:**

- A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.
- B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.

20. **WARRANTY – TITLE:** The Contractor warrants that it has good and indefeasible title to all Deliverables furnished under the Contract, and that the Deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the Deliverables.

21. **WARRANTY – DELIVERABLES:** The Contractor warrants and represents that all Deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the Deliverables shall be new or recycled merchandise, and not used or reconditioned.

- A. Recycled Deliverables shall be clearly identified as such.

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- B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.
 - C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the Deliverables or from the date of acceptance of any replacement Deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming Deliverables, or replace the non-conforming Deliverables with fully conforming Deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs, shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming Deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of Deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming Deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such Deliverables from another source.
 - E. If the Contractor is not the manufacturer, and the Deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.
22. **WARRANTY – SERVICES:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.
- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
 - B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.
23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.
24. **RIGHT TO ASSURANCE:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event

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that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.
26. **DEFAULT:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.
28. **TERMINATION WITHOUT CAUSE:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
29. **FRAUD:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.
30. **DELAYS:**
- A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 49. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In

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the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. INDEMNITY:

A. Definitions:

- i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
 - (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
 - (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
- ii. "Fault" shall include the sale of defective or non-conforming Deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

B. THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

32. INSURANCE: (reference Section 0400 for specific coverage requirements). The following insurance requirement applies. (Revised March 2013).

A. General Requirements.

- i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
- ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.
- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

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- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.
- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- vii. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- viii. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- ix. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- x. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xi. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Self-insured retentions shall be disclosed on the Certificate of Insurance.
- xii. The Contractor shall provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- xiii. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions

33. **CLAIMS:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.
34. **NOTICES:** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the

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City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.

35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL:** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS:** The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the Deliverables and (ii) the Deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the Deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the Deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the Deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such Deliverables will not impact such warranties of Contractor.
37. **CONFIDENTIALITY:** In order to provide the Deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
38. **PUBLICATIONS:** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.
39. **ADVERTISING:** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
40. **NO CONTINGENT FEES:** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

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41. **GRATUITIES:** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
42. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS:** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
43. **INDEPENDENT CONTRACTOR:** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
44. **ASSIGNMENT-DELEGATION:** The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.
45. **WAIVER:** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
46. **MODIFICATIONS:** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.
47. **INTERPRETATION:** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.
48. **DISPUTE RESOLUTION:**
- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such

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meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
49. **JURISDICTION AND VENUE:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.
50. **INVALIDITY:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.
51. **HOLIDAYS:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

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52. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

53. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

54. **EQUAL OPPORTUNITY**

- A. **Equal Employment Opportunity:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.
- B. **Americans with Disabilities Act (ADA) Compliance:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

55. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain Federally funded requirements)**

- A. Definitions. As used in this paragraph –
- i. "Component" means an article, material, or supply incorporated directly into an end product.
 - ii. "Cost of components" means -
 - (1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
 - (2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
 - iii. "Domestic end product" means-
 - (1) An unmanufactured end product mined or produced in the United States; or
 - (2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

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- iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
 - v. "Foreign end product" means an end product other than a domestic end product.
 - vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
- B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
- C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
- D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

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SUPPLEMENTAL PURCHASE PROVISIONS
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The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office two (2) weeks prior to the bid opening date. Submissions may be made via email to jonathan.dalchau@austintexas.gov, or via fax at (512) 974-2388.

2. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.

- (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
- (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage

- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).

- (1) The policy shall contain the following provisions:

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- (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
- (b) Contractor/Subcontracted Work.
- (c) Products/Completed Operations Liability for the duration of the warranty period.
- (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.

(2) The policy shall also include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
- (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
- (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage

iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.

(1) The policy shall include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
- (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
- (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.

iv. **Professional Liability Insurance:** The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

- (a) If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

3. **TERM OF CONTRACT:**

- A. The Contract shall be in effect for an initial term of twelve (12) months and may be extended thereafter for up to six (6) additional 12-month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.
- B. Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 days unless mutually agreed on in writing).
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above.

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D. Prices are firm and fixed for the first twelve (12) months. Thereafter, price changes are subject to the Economic Price Adjustment provisions of this Contract.

4. **QUANTITIES:** The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.

5. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

- A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin
Department	Human Resources Department
Attn:	Risk Management Division
Address	P.O. Box 1088
City, State Zip Code	Austin, TX 78767-1088

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

6. **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:**

- A. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- C. If an Offeror has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Offeror is given written notice and a hearing in advance of the debarment.
- D. The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

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7. ECONOMIC PRICE ADJUSTMENT:

- A. **Price Adjustments:** Prices shown in this Contract shall remain firm for the first twelve (12) months of the Contract. After that, in recognition of the potential for fluctuation of the Contractor's cost, a price adjustment (increase or decrease) may be requested by either the City or the Contractor on the anniversary date of the Contract or as may otherwise be specified herein. The percentage change between the contract price and the requested price shall not exceed the percentage change between the specified index in effect on the date the solicitation closed and the most recent, non-preliminary data at the time the price adjustment is requested. The requested price adjustment shall not exceed twenty-five percent (25%) for any single line item and in no event shall the total amount of the contract be automatically adjusted as a result of the change in one or more line items made pursuant to this provision. Prices for products or services unaffected by verifiable cost trends shall not be subject to adjustment.
- B. **Effective Date:** Approved price adjustments will go into effect on the first day of the upcoming renewal period or anniversary date of contract award and remain in effect until contract expiration unless changed by subsequent amendment.
- C. **Adjustments:** A request for price adjustment must be made in writing and submitted to the other Party prior to the yearly anniversary date of the Contract; adjustments may only be considered at that time unless otherwise specified herein. Requested adjustments must be solely for the purpose of accommodating changes in the Contractor's direct costs. Contractor shall provide an updated price listing once agreed to adjustment(s) have been approved by the parties.
- D. **Indexes:** In most cases an index from the Bureau of Labor Standards (BLS) will be utilized; however, if there is more appropriate, industry recognized standard then that index may be selected.
- i. The following definitions apply:
- (1) **Base Period:** Month and year of the original contracted price (the solicitation close date).
 - (2) **Base Price:** Initial price quoted, proposed and/or contracted per unit of measure.
 - (3) **Adjusted Price:** Base Price after it has been adjusted in accordance with the applicable index change and instructions provided.
 - (4) **Change Factor:** The multiplier utilized to adjust the Base Price to the Adjusted Price.
 - (5) **Weight %:** The percent of the Base Price subject to adjustment based on an index change.
- ii. **Adjustment-Request Review:** Each adjustment-request received will be reviewed and compared to changes in the index(es) identified below. Where applicable:
- (1) Utilize final Compilation data instead of Preliminary data
 - (2) If the referenced index is no longer available shift up to the next higher category index.
- iii. **Index Identification:** Complete table as they may apply.

Weight % or \$ of Base Price: 100%	
Database Name: Producer Price Index Industry Data	
Series ID: PCU9241269241264	
<input checked="checked" type="checkbox"/> Not Seasonally Adjusted	<input type="checkbox"/> Seasonally Adjusted
Industry: Premiums for Property and Casualty Insurance	
Description of Series ID: Premiums for Non-Auto Liability Insurance	
This Index shall apply to the following items of the Bid Sheet / Cost Proposal: All	

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E. **Calculation:** Price adjustment will be calculated as follows:

Single Index: Adjust the Base Price by the same factor calculated for the index change.

Index at time of calculation
Divided by index on solicitation close date
Equals Change Factor
Multiplied by the Base Rate
Equals the Adjusted Price

F. If the requested adjustment is not supported by the referenced index, the City, at its sole discretion, may consider approving an adjustment on fully documented market increases.

8. **INTERLOCAL PURCHASING AGREEMENTS:** (applicable to competitively procured goods/services contracts).

A. The City has entered into Interlocal Purchasing Agreements with other governmental entities, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Contractor agrees to offer the same prices and terms and conditions to other eligible governmental agencies that have an interlocal agreement with the City.

B. The City does not accept any responsibility or liability for the purchases by other governmental agencies through an interlocal cooperative agreement.

9. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Benny VandenAvond

Phone: 512-974-3264

Email: Benny.Vandenavond@austintexas.gov

*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

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1. INTRODUCTION

About the City of Austin

The City of Austin, Texas, population 840,000 is the 13th largest city in the country. This vibrant and dynamic city tops numerous "Best" lists for business, entertainment, cost of living and quality of life. Austin was selected as the "Best City for the Next Decade" (Kiplinger), the "Top Creative Center" in the US (Entrepreneur.com), and is in the Top Seven List of Intelligent Communities for 2012 as ranked by the Intelligent Community Forum. Austin continues to lead the country with its vision of being the "Most Livable City in the Country", emerging as a player on the international scene with such events as SXSW, Formula 1 and being home to companies such as Apple, Samsung, Dell, The Seton Healthcare Family and St. David's HealthCare systems. From the home of state government and the City of Texas, to the "Live Music Capital of the World" and its growth as a film center, Austin has gained worldwide attention as a hub for education, business, health, and sustainability. Since 1900, Austin's population has doubled every 20 years, with continued projected record-breaking growth into the next decade and beyond.

About the City of Austin Government

The City of Austin is a progressive, dynamic, full-service municipal organization operating under the Council-Manager form of government. The Austin City Council is elected from 10 single-member districts (one serves as Mayor Pro Tem), with the Mayor at-large. In this structure, the Mayor and City Council will be limited typically to two consecutive terms.

The City Council appoints the City Manager who is the chief administrative and executive officer of the City. The City Manager has responsibilities for guiding and directing day-to-day operations as well as providing strategic research, recommendations, and management leadership to the City Council on budget, programs, policies and services. The City Manager implements the organization's administrative responsibilities with a strong team of professional department heads, Assistant City Managers, and the Deputy City Manager. The City Council and City Manager of Austin are committed to their mission of delivering the highest quality services in the most cost effective manner. The organization's vision is to make Austin the most livable city in the country, and the City Manager's resolve is to make it the best-managed city in the country.

2. PURPOSE

The City of Austin (City), seeks proposals from brokers, agents and insurers who are experienced and qualified in servicing airport liability risks, assessing insurance needs and delivering a comprehensive aviation liability insurance quote for the Austin-Bergstrom International Airport.

3. BACKGROUND

The Austin-Bergstrom International Airport (ABIA) is owned by the City and is operated by the Aviation department. More information is available at: <http://www.austintexas.gov/department/airport>.

The airport opened in 1999 and continues to expand as the City grows. The design capacity is currently at 11 million passengers per year, however future projects are planned to meet the 2027 forecast of 15 million passengers per year. Currently a \$60 million Terminal East Infill Project, approximately 75% complete, is adding ten (10) new TSA Security checkpoint lanes, new Federal Inspection facilities, new airline baggage carousel services, new TSA and Customs back office space, and reconfiguring other spaces.

A \$200+ million Terminal Concourse and Apron Expansion is just beginning the design phase for completion by mid-2017 and will add 70,000+ square feet of new terminal concourse space, seven (7) new loading bridges and passenger hold rooms, 12,000 square feet of concession space, increased international gate capability, aircraft parking positions, and a new ticket lobby layout/design. In 2015, the Parking Garage design and expansion will begin, with completion in mid-2018 for a 4,000-space garage which will be close to the existing garage.

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All the above construction projects are anticipated to be covered under the City's Rolling Owner Controlled Insurance Program that provides \$50 Million policy limits.

ABIA's insurance coverage currently and for the past several years has been written through Frank Crystal & Co with Ace USA.

4. TASKS/REQUIREMENTS

The City requires the most comprehensive coverage available with the most favorable terms and conditions for the ABIA. All proposals shall include a complete specimen policy with all proposed endorsements and exclusions. Please review **Attachment A – ABIA Underwriting Information** for specific underwriting data associated with the airport.

4.1. Carrier Requirements

- 4.1.1. The successful Proposer shall place all insurance coverages with insurers that are licensed to do business in the State of Texas and have an A.M. Best rating of B+ VII or better. Coverage shall be comprehensive, competitive and written by a carrier with experience writing airport liability risks across the United States.

4.2. Contractor's Responsibilities

- 4.2.1. Placement and binding of Aviation Liability insurance for ABIA on 8/1/2015. Binder shall be delivered to City of Austin Risk Management division within the Human Resources Department by no later than policy inception.
- 4.2.2. Insurance policy shall be issued and delivered to Risk Management within ninety (90) days of inception.
- 4.2.3. Provide City with advice and recommendations for all exposure and risk questions and conduct research on aviation-related risk issues as requested.
- 4.2.4. Coordinate annual liability risk assessment of ABIA premises and operations. Written report shall be delivered to Risk Management within thirty (30) days after physical Assessment occurs.
- 4.2.5. Generate and deliver quarterly claims reports.
- 4.2.6. Invoices for premium payments shall be submitted to the Risk Management Division thirty (30) days before payment is due.
- 4.2.7. Verify in writing that all adjusters, attorneys and other persons who handle, administer, or defend claims must be trained and familiar with the municipal immunities outlined in the Texas Tort Claims Act within one hundred and twenty (120) days of the inception date of the initial policy.
- 4.2.8. Annual loss runs shall be generated by the insurance carrier and delivered to Risk Management within thirty (30) days after expiration of each annual policy term. Loss run data shall include date and time of loss, descriptions of losses, paid and incurred, and include all losses under \$10,000 handled by the City Attorney's office.

4.3. City's Responsibilities

- 4.3.1. The City will respond to all underwriting questions or concerns within five (5) business days of request.

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- 4.3.2. The City will make available the ABIA premises for inspections and risk assessments and for any and all claims investigations as requested by the insurance carrier.
- 4.3.3. The City will pay all invoices within thirty (30) days of receipt.
- 4.3.4. The City will provide any training in municipal immunity and the Texas Tort Claims Act and make the training available within thirty (30) days of request by the broker or insurance carrier.
- 4.3.5. The City will handle all claims under the deductible amount and notify the insurer of every incident reported to the City in a monthly claims run.

4.4. Description of Coverage

- 4.4.1. Bodily injury and property damage arising from the insured's premises and operations including mobile equipment and automotive equipment while on the insureds premises or adjoining ways.
- 4.4.2. All boards, commissions and subsidiary agencies of the named insured, and all of the members, officers, servants, volunteer workers, officials and employees thereof with respect to liability arising out of activities of the named insured or activities performed on behalf of the named insured including the airport manager while acting within the scope of his/her duties.
- 4.4.3. Hanger keeper's liability coverage to include incidental control of aircraft which the insured shall become legally obligated to pay as damages because of injury to or destruction of any aircraft which is the property of others.
- 4.4.4. Passenger misdirection.
- 4.4.5. War, strikes, hijacking and other perils.
 - 4.4.5.1. Please provide a separate line item quote if this coverage is available.
 - 4.4.5.2. If coverage is not quoted, please provide a statement to this effect on the quote sheet. This premium is **not** to be included in the basic premium quoted for the Airport Liability Coverage provided on the quote sheet. Provide this figure separately.
- 4.4.6. Non-owned aircraft coverage.
- 4.4.7. Baggage liability.
- 4.4.8. Broad form comprehensive general liability.
- 4.4.9. Products/Completed operations.
- 4.4.10. The policy shall be endorsed to prohibit the insurer from settling or paying any claim for bodily injury or death in an amount greater than \$250,000 or for property damage in an amount greater than \$100,000 without prior written notice to, and the written consent from, the City Attorney. Notices to the City Attorney under this section shall be sent to the City of Austin, Department of Law, P. O. Box 1088, Austin, Texas 78767-1088, and Attn: Litigation Division Chief.

4.5. Limits

- 4.5.1. The City desires quotes based on the limits and deductibles listed on the **0600B Quote Sheet**.

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4.6. Billing

- 4.6.1. Premium payments for this coverage may be requested to be in quarterly installments. No additional costs, such as interest, should be applicable to this payment procedure. Invoices shall be submitted thirty (30) days before payment is due to the City of Austin, Risk Management Division, P.O. Box 1088, Austin, TX. 78767-8834.

4.7. Claims Adjusting and Claims Services

4.7.1. Texas Tort Claims Act

Austin-Bergstrom International Airport is owned and operated by the City of Austin, a Texas home-rule municipal corporation and political subdivision. The operation of an airport is a governmental function. As such, the City is immune from many claims that may otherwise arise from operation of the airport.

However, under the Texas Tort Claims Act (Texas Civil Practice and Remedies Code Chapter 101) the general sovereign immunity enjoyed by governmental bodies in Texas is waived for a limited number of torts, as follows:

- a) a governmental unit may be liable for property damage, personal injury and death proximately caused by the wrongful act or omission or negligence of an employee acting within the scope of employment if it arises from the operation or use of a motor driven vehicle or equipment;
- b) a governmental unit may be liable for personal injury and death proximately caused by the wrongful act or omission or negligence of an employee acting within the scope of employment if it is caused by a condition or use of tangible personal or real property;
- c) If a claim arises from a premise defect, the governmental unit owes to the claimant only the duty that a private person owes to a licensee on private property, unless the claimant pays for the use of the premises, with certain exceptions.

While a governmental unit may be liable for certain torts under the Texas Tort Claims Act, the Act limits the liability of a municipality for damages. Liability of a municipality is limited to money damages in a maximum amount of \$250,000 for each person and \$500,000 for each single occurrence for bodily injury or death, and \$100,000 for each single occurrence for injury to or destruction of property. The Act does not authorize exemplary damages.

All claims adjusters, attorneys, and other persons who handle, administer, or defend claims asserted against the City pursuant to a policy issued in response to this solicitation must be trained and familiar with the immunities enjoyed by the City, and the limited exceptions to those immunities under the Texas Tort Claims Act. The City of Austin Law Department will provide training in municipal immunity and the Tort Claims Act if requested.

The City desires an agreement with the carrier whereby the carrier will NOT settle or pay any claim for bodily injury or death in an amount greater than \$250,000 or for property damage in an amount greater than \$100,000 without prior written notice to, and the written consent of the City Attorney. Notices to the City Attorney under this section shall be sent to the City of Austin, Department of Law, P. O. Box 1088, Austin, Texas 78767-1088, Attn: Litigation Division Chief. City of Austin, Risk Management Division, shall be copied on all correspondence and notices.

4.7.2. Current Claims Process

For the past 20 years, the City of Austin has managed the claims falling within the \$10,000 deductible of every loss for the airport liability policy. The current claims procedure is described as follows:

- The City claims investigators are the initial primary source of contact for all claims.

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- The City handles all claims under the deductible amount and notifies the insurer of every incident reported to the City in a monthly claims run.
- Claims which are anticipated to exceed the deductible are forwarded immediately to the insurance carrier.
- Administrative expenses of claim adjustment services over the City's \$10,000 deductible are borne by the insurer.
- All lawsuits filed against the City for Airport Liability are received by the City of Austin Law Department and immediately forwarded to the insurance carrier.
- If the City reaches the \$100,000 aggregate in any one year, all future claims will be handled by the claims personnel of the insurer at their cost.

Although the City would prefer to maintain this method of claims management the City realizes that current market conditions may not be favorable for this type of claims arrangement. As a result, the City will review and evaluate all optional methods of claims management.

4.7.3. Claims Services

The City of Austin Law Department will provide training in municipal immunity and the Tort Claims Act if requested. The City reserves the right to request semi-annual claims review meetings if the City deems it necessary.

The City of Austin Aviation Department expects timely claims handling services and immediate response when catastrophic losses occur. Adjusters should be physically present at the loss site within twenty-four (24) hours of any catastrophic event.

4.7.4. Annual Loss Runs

City of Austin Aviation Department expects electronic and hard copy annual loss runs to be provided by the carrier. Loss runs should, at a minimum, specify the date of losses, full description of loss and the current paid and incurred status of each claim.

4.7.5. Annual Liability Risk Assessment and Report

An annual liability risk assessment and report shall be completed every year. At a minimum, the assessment shall include a review of the following operations:

- Airside Operations
- Landside Operations
- Maintenance/Facilities Management
- Risk Management
- Safety/Security
- Properties Management of rental/lease operations
- Aircraft Rescue and Fire Fighting
- Planning and Engineering of construction management

Activities shall include meetings with key departments, material/document reviews, daytime and nighttime ride-alongs on the runway and perimeter inspections, physical tours of the terminals, parking and all owned and/or operated airport premises, briefings and exit interview meetings. Historically the risk assessment has taken two (2) days of on-site work to complete. ABIA looks forward to this assessment and will make available documents and personnel for a successful completion of the assessment.

4.7.6. Loss History

Attachment C and D provides detailed claims information for Austin Bergstrom International Airport (ABIA) for the past nine (9) years as of February 12, 2015.

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5. DELIVERABLES/MILESTONES

Deliverables/Milestones	Description	Timeline (due/completion date, reference date, or frequency)	Performance Measure/ Acceptance Criteria	Contract Reference/ Section
Aviation Liability Insurance Binder	Binder issued by insurance carrier providing proof of coverage at limits and deductibles quoted	Due date is by 8/1/2015	Delivery to City	RFP Scope of Work 0500 Section 4.1
Aviation Liability Insurance Policy	Insurance policy issued by insurance carrier	Due date is by 11/1/2015	Delivery to City	RFP Scope of Work 0500 Section 4.1
Annual Liability Risk Assessment Report	Report identifying risk exposures at airport and recommendations for reduction or elimination of risk	Within thirty (30) days after physical assessment completed	Delivery to City	RFP Scope of Work 0500 Section 4.1
Annual Loss Runs	Detailed loss listing with description of loss, amounts paid, amounts incurred	Within thirty (30) days after expiration of each policy term	Delivery to City	RFP Scope of Work 0500 Section 4.1

6. Appendices/Exhibits

Attachment A – ABIA Underwriting Information
Attachment B – Current Coverage
Attachment C – Premium and Loss Summary
Attachment D – Carrier Loss Runs
Attachment E -- Vehicles
Attachment F – Environmental Information
Attachment G -- Parking Schematics
Attachment H – Market Assignment
Attachment I – Annual Sustainability Report
Attachment J –ABIA Terminal Square Footage
Attachment K – ABIA Insurance Requirement Minimum Standards
Attachment L – AMPCO Agreement

Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN, SECTION 0900 OF THE SOLICITATION.

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm	Alliant Insurance Services, Inc.					
Physical Address	5847 San Felipe, Ste. 2750, Houston, TX 77057					
Is Firm located in the Corporate City Limits? (circle one)	Yes		<input checked="" type="radio"/> No Alliant is not located in Corp. City limits			
In business at this location for past 5 yrs?	<input checked="" type="radio"/> Yes At this location for past 5 yrs		No			
Location Type:	Headquarters	Yes	<input checked="" type="radio"/> No	Branch	<input checked="" type="radio"/> Yes	No

SUBCONTRACTOR(S):

Name of Local Firm						
Physical Address						
Is Firm located in the Corporate City Limits? (circle one)	Yes		No			
In business at this location for past 5 yrs?	Yes		No			
Location Type:	Headquarters	Yes	No	Branch	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm						
Physical Address						
Is Firm located in the Corporate City Limits? (circle one)	Yes		No			
In business at this location for past 5 yrs?	Yes		No			
Location Type:	Headquarters	Yes	No	Branch	Yes	No

Section 0700: Reference Sheet

Please include the following information if required in the solicitation:

Responding Company Name Alliant Insurance Services, Inc.

- | | |
|---------------------------|-----------------------------------------------------------|
| 1. Company's Name | <u>Sacramento County (Sacramento Airport)</u> |
| Name and Title of Contact | <u>Steve Page, Risk and Loss Control Division Manager</u> |
| Present Address | <u>P.O. Box 276130</u> |
| City, State, Zip Code | <u>Sacramento, CA 95827</u> |
| Telephone Number | <u>(916) 876-5020 Fax Number (916) 876-5156</u> |
| Email Address | <u>pages@saccounty.net</u> |

- | | |
|---------------------------|-----------------------------------------------------------------|
| 2. Company's Name | <u>Metropolitan Airports Commission</u> |
| Name and Title of Contact | <u>Bill Hoyt, Assistant Director, Insurance Risk Management</u> |
| Present Address | <u>6040 28th Avenue South</u> |
| City, State, Zip Code | <u>Minneapolis, MN 55450</u> |
| Telephone Number | <u>(612) 726-8162 Fax Number (612) 725-6359</u> |
| Email Address | <u>bill.hoyt@mspmac.org</u> |

- | | |
|---------------------------|--------------------------------------------------------|
| 3. Company's Name | <u>Port of Oakland (Oakland International Airport)</u> |
| Name and Title of Contact | <u>Josh Schultz, Risk Manager</u> |
| Present Address | <u>530 Water Street</u> |
| City, State, Zip Code | <u>Oakland, CA 94607</u> |
| Telephone Number | <u>(510) 627-1535 Fax Number ()</u> |
| Email Address | <u>jschultz@portoakland.com</u> |

4. Company's Name	Seattle-Tacoma Airport
Name and Title of Contact	Jeff Hollingsworth
Present Address	2711 Alaskan Way
City, State, Zip Code	Seattle, WA 98121
Telephone Number	(206) 787-0317 Fax Number (206) 787-3205
Email Address	hollingsworth.j@portseattle.org

**City of Austin, Texas
Section 0800
EQUAL EMPLOYMENT/FAIR HOUSING OFFICE
NON-DISCRIMINATION CERTIFICATION**

**City of Austin, Texas
Human Rights Commission**

To: City of Austin, Texas, ("OWNER")

I hereby certify that our firm conforms to the Code of the City of Austin, Section 5-4-2 as reiterated below:

Chapter 5-4. Discrimination in Employment by City Contractors.

Sec. 4-2 Discriminatory Employment Practices Prohibited. As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations and agrees:

- (B)
- (1) Not to engage in any discriminatory employment practice defined in this chapter.
 - (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter. Such affirmative action shall include, but not be limited to: all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising; selection for training and apprenticeship, rates of pay or other form of compensation, and layoff or termination.
 - (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by OWNER setting forth the provisions of this chapter.
 - (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, sex or age.
 - (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
 - (6) To cooperate fully with OWNER's Human Rights Commission in connection with any investigation or conciliation effort of said Human Rights Commission to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
 - (7) To require compliance with provisions of this chapter by all subcontractors having fifteen or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with OWNER subject to the terms of this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Nondiscrimination Policy set forth below.

**City of Austin
Minimum Standard Non-Discrimination in Employment Policy:**

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion,

recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE A COPY TO THE CITY OF THE CONTRACTOR'S NON-DISCRIMINATION POLICY ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION POLICY, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES (THE FORM OF WHICH HAS BEEN APPROVED BY THE CITY'S EQUAL EMPLOYMENT/FAIR HOUSING OFFICE), WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination Certificate or the Contractor's separate conforming policy, which the Contractor has executed and filed with the Owner, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payments, the Contractor's Non-Discrimination Policy will automatically renew from year-to-year for the term of the underlying Contract.

City of Austin, Texas
Section 0805
NON-SUSPENSION OR DEBARMENT CERTIFICATION

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000.00 and all non-procurement transactions. This certification is required for all Vendors on all City of Austin Contracts to be awarded and all contract extensions with values equal to or in excess of \$25,000.00 or more and all non-procurement transactions.

The Offeror hereby certifies that its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.

**CITY OF AUSTIN, TEXAS
SECTION 0810
NON-COLLUSION,
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION**

The term “**Offeror**” , as used herein, includes the individual or business entity submitting the Offer and for the purpose of this Affidavit includes the directors, officers, partners, managers, members, principals, owners, agents, representatives, employees, other parties in interest of the Offeror, and anyone or any entity acting for or on behalf of the Offeror, including a subcontractor in connection with this Offer.

1. **Anti-Collusion Statement.** The Offeror has not in any way directly or indirectly:

- a. colluded, conspired, or agreed with any other person, firm, corporation, Offeror or potential Offeror to the amount of this Offer or the terms or conditions of this Offer.
- b. paid or agreed to pay any other person, firm, corporation Offeror or potential Offeror any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for establishing the prices in the attached Offer or the Offer of any other Offeror.

2. **Preparation of Solicitation and Contract Documents.** The Offeror has not received any compensation or a promise of compensation for participating in the preparation or development of the underlying Solicitation or Contract documents. In addition, the Offeror has not otherwise participated in the preparation or development of the underlying Solicitation or Contract documents, except to the extent of any comments or questions and responses in the solicitation process, which are available to all Offerors, so as to have an unfair advantage over other Offerors, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.

3. **Participation in Decision Making Process.** The Offeror has not participated in the evaluation of Offers or other decision making process for this Solicitation, and, if Offeror is awarded a Contract hereunder, no individual, agent, representative, consultant, subcontractor, or subconsultant associated with Offeror, who may have been involved in the evaluation or other decision making process for this Solicitation, will have any direct or indirect financial interest in the Contract, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.

4, **Present Knowledge.** Offeror is not presently aware of any potential or actual conflicts of interest regarding this Solicitation, which either enabled Offeror to obtain an advantage over other Offerors or would prevent Offeror from advancing the best interests of the City in the course of the performance of the Contract.

5. **City Code.** As provided in Sections 2-7-61 through 2-7-65 of the City Code, no individual with a substantial interest in Offeror is a City official or employee or is related to any City official or employee within the first or second degree of consanguinity or affinity.

6. **Chapter 176 Conflict of Interest Disclosure.** In accordance with Chapter 176 of the Texas Local Government Code, the Offeror:

- a. does not have an employment or other business relationship with any local government officer of the City or a family member of that officer that results in the officer or family member receiving taxable income;

- b. has not given a local government officer of the City one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$250 in the twelve month period preceding the date the officer becomes aware of the execution of the Contract or that OWNER is considering doing business with the Offeror.
- c. as required by Chapter 176 of the Texas Local Government Code, Offeror must file a Conflict of Interest Questionnaire with the Office of the City Clerk no later than 5:00 P.M. on the seventh (7th) business day after the commencement of contract discussions or negotiations with the City or the submission of an Offer, or other writing related to a potential Contract with the City. The questionnaire is available on line at the following website for the City Clerk:

<http://www.austintexas.gov/department/conflict-interest-questionnaire>

There are statutory penalties for failure to comply with Chapter 176.

If the Offeror cannot affirmatively swear and subscribe to the forgoing statements, the Offeror shall provide a detailed written explanation with any solicitation responses on separate pages to be annexed hereto.

7. Anti-Lobbying Ordinance. As set forth in the Solicitation Instructions, Section 0200, paragraph 7N, between the date that the Solicitation was issued and the date of full execution of the Contract, Offeror has not made and will not make a representation to a City official or to a City employee, other than the Authorized Contact Person for the Solicitation, except as permitted by the Ordinance.

Section 0835: Non-Resident Bidder Provisions

Company Name Alliant Insurance Services, Inc.

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: Non-Resident Bidder

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder is a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: No Which State: California

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: _____

ATTACHMENT A
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT UNDERWRITING INFORMATION

The City of Austin is self-insured for general liability coverage. Coverage provided by the Airport Liability policy shall be comprehensive in nature but shall not extend beyond the operations of the City of Austin Department of Aviation (DOA). AUS is the term assigned by the Federal Aviation Administration (FAA) to Austin-Bergstrom International Airport (ABIA).

The Named Insured shall be:

City of Austin
Department of Aviation (DOA)
3600 Presidential Blvd., Suite 411
Austin, TX 78719

The inception date of the policy: August 1, 2015

Physical location: 3600 Presidential Blvd., Suite 411, Austin, TX 78719

Number of passengers enplaned per Bond package:

2010	4,256,806
2011	4,524,641
2012	4,662,738
2013	4,928,979
2014	5,275,464
Projected 2015	5,500,000
Projected 2016	5,700,000
Projected 2017	5,850,000
Projected 2018	6,000,000
Projected 2019	6,150,000
Projected 2020	6,300,000
Projected 2021	6,450,000

Number of Aircraft Operations (Landings & Takeoffs):

2010*	174,167
2011	180,136
2012	169,480
2013	177,265
2014	179,224
Projected 2015**	180,198
Projected 2016	182,000
Projected 2017	183,820
Projected 2018	185,658
Projected 2019	187,514
Projected 2020	189,389
Projected 2021	191,283

*Actual data (2010 – 2014) per FAA

**Projected Data (2015 – 2021) per ABIA

Runway Information:

<u>Heading</u>	<u>Length</u>	<u>Width</u>	<u>Surface</u>
17R	12,250 ft.	150 ft.	Concrete
35L	12,250 ft.	150 ft.	Concrete
17L	9,000 ft.	150 ft.	Concrete
35R	9,000 ft.	150 ft.	Concrete

ATTACHMENT A
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT UNDERWRITING INFORMATION

Square Footage of the Terminal areas:

BARBARA JORDAN TERMINAL BUILDING SPACE ALLOCATION		
Concourse Level	3 rd floor	271,029
Baggage Level	1 st floor	125,838
Apron Level	2 nd floor	220,614
Mezzanine Level	4 th floor	55,735
Penthouse Level	5 th floor	7,382
TOTAL		680,598

SOUTH TERMINAL BUILDING SPACE ALLOCATION		
Terminal	1 st floor	28,316

NOTE: See Attachment J for Terminal square footage breakout

The airport engages in the following Operations:

	Yes/No	Previous Year Gross Sales	Current Year Gross Sales	Next Year's Estimated Gross Sales
Aircraft Fueling	No	N/A	N/A	N/A
Airlines including Commuters	No	N/A	N/A	N/A
Other Aircraft	No	N/A	N/A	N/A
If yes, frequency of fuel testing	No	N/A	N/A	N/A
Aircraft Maintenance & Repairs	No	N/A	N/A	N/A
Aircraft Parts or Accessory Sales	No	N/A	N/A	N/A
Cargo/Baggage Handling or Storage		N/A	N/A	N/A
Passenger Baggage or Security Operations		N/A	N/A	N/A
Aircraft Towing (In or out of Hangers)		N/A	N/A	N/A
Aircraft De-icing	No	N/A	N/A	N/A
Restaurant or Vending Machines	No	N/A	N/A	N/A

- What is the total value of the Hangars Keeper exposure?**
The Department of Aviation does not have the care, custody and control of any aircraft.
- What is the highest value of any one aircraft at the airport at any given time?**
We are never in the custody of any aircraft. The City does not have this exposure.
- Does the Airport own, lease or maintain any nav aids, radars, wind shear detectors or aircraft communications systems?**
No, the FAA owns and maintains all nav aids.
- How often are the fuel storage tanks located at the fuel farm, inspected?**
*Owner: AUS Airline Consortium
Manager: Aircraft Services International Group
American Petroleum Institute 653 Exterior Inspection: Every five (5) years
American Petroleum Institute 653 Interior Inspection: Every ten (10) years*
- Does the airport maintain a bird strike prevention program?**
Yes.

Types of aircraft operating at ABIA:

The air cargo fleet is comprised of:

- the A-300
- MD-10/MD-11
- Boeing 747/757/767,777
- Caravan C-208

ATTACHMENT A
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT UNDERWRITING INFORMATION

The scheduled passenger fleet currently includes:

- Jetstream 31/41
- Boeing 717/737/757/787
- Canadair 100/200/700/900
- Airbus A-319/320/321
- Embraer ERJ 4 and E-175/190
- MD-80/MD88/90

Note: The B-787 is the largest scheduled aircraft operating at ABIA.

In addition, non-scheduled passenger fleet may include the following:

- B747/767/777
- SAAB 2000

Tower and Runway Operation:

The FAA operates and controls the tower operations. City staff maintains all runways.

Security

Full-time, twenty-four (24) hours a day, seven (7) days a week, security is provided by the Department of Aviation Operations and Security Division and the Austin Police Department, which consists of state certified police officers. Additionally, the airport has dedicated full-time aircraft rescue and firefighting facilities and personnel. The police officers have a dual function in that they provide all law enforcement and traffic enforcement services on airport property. Department of Aviation Operations and Security Division administer the TSA-approved security program. The Department of Aviation Operations and Security Division also manages and staffs a full-time airport communications center. This center also houses the department operations center, which is activated during crisis situations. The principal goal of the security program is to prevent acts of terrorism towards civil aviation.

Fueling

The airport operator does not provide aircraft fueling. The airlines (commercial and cargo) lease and operate the City's 1.1 million gallon fuel farm, which comprises 6.9 acres at ABIA. Two (2) airport Fixed Base Operators (FBO), Atlantic Aviation and Signature Flight Support, store and dispense fuel for military and general aviation aircraft. A third FBO, Austin FBO, LLC, is scheduled to commence construction within the next 6-12 months.

Aircraft Maintenance

Two (2) airport FBOs Atlantic Aviation and Signature Flight Support currently offer a full array of aircraft maintenance services. As stated above, a third FBO, Austin FBO, LLC, is scheduled to commence construction of their facility within the next 6-12 months. The FBO operators perform maintenance in Unified Facilities Criteria (UFC) approved hangars or on their ramps and both locations have structural controls to protect infrastructure and the natural environment. Two governmental entities (Texas Department of Transportation – Aviation and Texas Army Air National Guard) perform heavy maintenance at their facilities. The majority of their aircraft maintenance occurs within UFC approved hangars that include structural controls to protect infrastructure and the natural environment. Additionally, the commercial airlines perform in-house and contracted light maintenance (including A checks) on the terminal apron. Cargo airlines perform light and occasional heavy maintenance on the cargo ramp. Airlines periodically perform non-scheduled heavy maintenance such as engine changes on the airport maintenance ramp. The terminal and cargo ramps include structural controls to protect the natural environment from releases associated with these activities. The maintenance ramp is monitored by Airport Operations and Aircraft Rescue and Fire Fighting during heavy maintenance activities to ensure releases are immediately remediated to protect the natural environment.

ABIA operators that perform aircraft maintenance maintain a Texas Pollutant Discharge Elimination System storm water permit issued by the State of Texas, which requires the use of structural controls, best management practices, good housekeeping practices, employee training and spill response equipment.

ATTACHMENT A
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT UNDERWRITING INFORMATION

Parking Areas

The Airport surface parking lots and parking garages are managed and operated by a subsidiary of ABM Parking Services, Ampco, which includes light custodial maintenance of the parking garages and all surface parking lots, limited to the removal of trash. Ampco removes the trash for each of the twenty-four (24) passenger kiosks scattered throughout the parking operation, and they routinely wipe down the kiosks. Maintenance of the garage structure and parking lot pavement surfaces is performed by the City of Austin DOA and its subcontractors. Small scale striping of an entire lot will be performed by the DOA or a contractor hired by the City to perform the work. ABM is required under its management contract to provide property damage and liability insurance with the City as an additional insured. Revenue Control System is provided by a Parking Facility Management System (PFMS) comprised of Amano hardware with McCann software. The revenue Control System maintenance is performed by Associated Time & Parking Controls under a multi-year maintenance service agreement. Lighting of the Parking Garage and surface lots are maintained by the DOA. Presently with the construction of the CONRAC facility in what was Lot A east, the available parking space count is as follows:

Garage *	2437
Lot A	1021
Lot B	1244
Lot C	1532
Lot D	1421
Lot E	533
Lot F	1116
Lot G	1422
Lot J (Employee Overflow)	1541
Lot H	449
Cargo	879

* Of the 2437 Garage spaces, 240 are used for Executive valet services.

Courtesy shuttle service from the surface lots is provided by ABM using 32 passenger shuttles purchased by the City of Austin. The shuttles are operated and maintained by ABM. The shuttles enter the surface parking area from Presidential Blvd along the eastern side of the parking lots, flowing through the lots from east to west, exiting the parking operation back on to Presidential Blvd. at a location on the northern edge of the surface lots adjacent to Lot F.

The contractor managing the parking garage has the liability for the garage operation. However, the maintenance of the parking garage is ours. Please review Attachment L.

Preliminary Budget:

DOA has \$247 million budgeted for FY 2015 Capital Improvement Projects. The **preliminary** budget includes the following budget for FY 16 through FY 19:

	FY15	FY16	FY17	FY18	FY19	Total
Airside Improvements	750,000	4,750,000	3,300,000	6,000,000	8,000,000	22,800,000
Landside Improvements	25,900,000	5,400,000	122,000,000	4,750,000	5,250,000	163,300,000
Terminal Improvements	207,600,000	2,000,000	6,800,000	6,000,000	3,000,000	225,400,000
Capital Equipment & Vehicles	4,491,806	2,559,000	2,582,734	2,401,140	2,390,700	14,425,380
Information Systems	7,940,000	4,630,000	3,455,000	3,576,000	3,150,000	22,751,000
Total	246,681,806	19,339,000	138,137,734	22,727,140	21,790,700	448,676,380

Medical Services:

There are no nurses or physicians employed by the City for ABIA service.

ATTACHMENT A
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT UNDERWRITING INFORMATION

Maintenance of Elevators and Escalators:

There are currently a total of twenty-one (21) elevators: fifteen (15) in the terminal and six (6) in the parking garage. Terminal and garage elevators and escalators are not under warranty at this time. One (1) elevator and one (1) escalator in the new Federal Inspection System are covered under a 1-year warranty. Maintenance and repairs for both the escalators and elevators are being provided via 2 (two) separate contracts with Schindler Elevator.

ABIA Insurance Guidelines:

The airport subscribes to the following Airports Council International insurance recommendations for operations on the Airfield Operations Area:

(a) Airlines	\$100,000,000 - \$250,000,000
(b) Fixed Base Operators	\$ 10,000,000
(c) Concessionaires	\$ 1,000,000
(d) Contractors	\$ 5,000,000 - \$10,000,000

The City of Austin Aviation Department is named as an additional insured on all policies.

Airport Minimum Standards:

City of Austin Aviation Department has created specific insurance requirements for all contracted services including concessionaires, contractors, and the airlines providing services at ABIA. See Attachment K attached.

Non-Owned aircraft "use" policy:

- (a) By employees: N/A
- (b) By people other than employees: N/A

City of Austin Aviation employees never pilot aircraft (non-owned/private) nor hire others to do so in the performance of City business.

Environmental Information:

See Attachment F Environmental Issues

Revenues and Sources:

	Fiscal Year 2014*	Fiscal Year 2015**
Parking	33,722,673	34,714,813
Concessions	22,082,831	23,926,741
Landing Fees	20,846,483	22,169,000
Rental - Airlines	23,631,569	26,458,000
Other (fuel, etc)	8,940,341	8,275,851
Interest Income	116,172	109,598
Total	109,340,069	115,654,003

*Unaudited

** Estimated

Map of Airport:

A variety of maps are available on the City of Austin website: <http://www.austintexas.gov/department/abia>

ATTACHMENT A
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT UNDERWRITING INFORMATION

Additional Underwriting Information:

We ask that the carriers reviewing this proposal consider providing coverage for ABIA for this Lessors Risk Only (LRO) exposure and future business transactions.

- **Ascend AUS Hangar Facility.** The Department of Aviation has leased a tract of approximately 19 acres of land south of the Signature FBO to Ascend AUS LLC for a private aircraft hangar facility. Ascend proposes to sell pre-paid subleases and build hangars to suit for its tenants. The facility is not an FBO. Ascend is prohibited from selling fuel to the public, although there will be a fuel facility for members only. Ascend has yet to commence construction on its facility, but will be required to start design once the ABIA duct bank is relocated which is scheduled to be done in the summer 2015. Ascend is required to carry aviation liability insurance including hangar keepers liability, and to indemnify the City for claims to the extent arising from their operation of the facility.
- **Commercial Retail Tract.** In 2013, the City of Austin Department of Aviation entered into a 40 year lease and development agreement with ABIA Retail, LLC. to develop a 13 acre tract of land adjacent to the Austin Airport Hilton Hotel for commercial and retail uses, such as a convenience store/service station, restaurants, and other retail uses.
- **Scott Airport Parking, LLC.** In 2014, the Department of Aviation entered into a 30 year lease and development agreement with Scott Airport Parking, LLC, to develop airport parking and a pet hotel.

**ATTACHMENT B
CURRENT ABIA COVERAGE**

The current coverage is through Frank Crystal and Co. with ACE Indemnity Insurance Co.

COVERAGE	LIMIT
Bodily Injury, Personal and Advertising Injury and Property Damage Combined to include mobile equipment and automotive equipment while on the insured's premises or adjoining ways.	\$100 Million each occurrence
All boards, commissions and subsidiary agencies and all of the members, officers, servants, volunteer workers, officials, and employees thereof with respect to liability arising out of the activities of the named insured or activities performed on behalf of the named insured including the airport manager while acting within the scope of his/her duties.	
Products & Completed Operations Annual Aggregate	\$100 Million
Personal & Advertising Injury Annual Aggregate	\$50 Million
Malpractice Annual Aggregate	\$50 Million
Fire Damage Limit Any One Fire	\$1 Million
Hangarkeepers Any One Aircraft and any one occurrence to include incidental control of aircraft which the insured shall become legally obligated to pay as damages because of injury to or destruction of any aircraft which is the property of others.	\$100 Million
Non-Owned Aircraft Liability	\$100 Million
Excess Automobile Liability (off premises) Any One Accident /Occurrence	\$50 Million
Excess Employers Liability (excluding disease) Any One Accident/Occurrence	\$50 Million
Deductible:	\$10,000 Each Occ/Not to Exceed \$100,000 Annual Aggregate
Notice of Cancellation at 120 days but 10 days for non-payment.	
War, hijacking and other perils	currently not covered
Medical Expense	currently not covered

Coverage limits have not varied widely over the past 10 years.

Deductible has always been set at \$10,000 per occurrence with \$100,000 Aggregate. Claims under \$10,000 have always been handled by the City of Austin.

**ATTACHMENT C
COMPREHENSIVE AIRPORT LIABILITY POLICY
PREMIUM AND LOSS HISTORY**

The claims history exhibit below includes the total number of claims and incurred losses covered by both the policy and within the City's deductible from 3/24/2006 to 8/1/2015, valued as of 2/12/2015.

Total Claims

Includes All Claims Reported (including those wholly within the City's \$10,000 Deductible)

YEAR	CARRIER	PREMIUM	TOTAL CLAIMS	INCURRED LOSSES
3-24-14 to 8-1-15	ACE USA	\$112,548 (1 yr/4 months)	13	\$3,644
3-24-13/14	ACE USA	\$83,000	14	\$410
3-24-12/13	ACE USA	\$77,250	15	\$758
3-24-11/12	ACE USA	\$83,500	14	\$2,208
3-24-10/11	ACE USA	\$83,500	10	\$17,303
3-24-09/10	ACE USA	\$131,750	8	0
3-24-08/09	ACE USA	\$141,779	14	0
3-24-07/08	ACE USA	\$153,004.37	16	\$32,464
3-24-06/07	ACE USA	\$141,779	12	\$15,773

Claims Paid by the Carrier / Losses Over City's \$10,000 Deductible

Date of Loss	Description of Loss	Net Incurred	Open/Closed
10-10-2010	FELL NEAR SWA TICKET COUNTER	\$5,869	Closed
04-30-2007	SLIP/FALL ON STAIRS	\$12,231	Closed
12-27-2006	FOOT CAUGHT IN CAROUSEL	\$5,773	Closed

ATTACHMENT D

CARRIER LOSS RUN

Run Date 02/13/2015 for (Job ID: 4266398)

AEROSPACE CUSTOM LOSS RUN - AUSTIN AEROSPACE LOSS RUN

Parameter(s) Selected:

Site = '11260 '

Policy Period 03 / 24 Inception Based On Event Date

Report Subtotals are L_LEVEL_S / POLICY_PERIOD

RA Data Current AS OF 02/12/2015

Currency US Dollars

Data in this report may reflect input of other than
ESIS, Inc. adjusters. ESIS, Inc. makes no warranties
or representations respecting the accuracy, completeness
or reliability of such data for any purpose.

Aerospace Merged
AEROSPACE CUSTOM LOSS RUN

PAGE 2

L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2006			CLOSED	05/17/2006	09/08/2006	ABIO	ABIO SLIP/FALL FROM WATER	CITY OF AUSTIN,TX	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				CLOSED	12/27/2006	04/29/2008	ABIO	ABIO FOOT CAUGHT IN CAROUSEL	CITY OF AUSTIN,TX	11260	3,500.00	12,272.96	.00	15,772.96	\$10,000.00	\$0.00	5,772.96
*TOTAL POLICY_PERIOD 2006											3,500.00	12,272.96	.00	15,772.96	\$10,000.00	\$0.00	5,772.96

Subtotal for POLICY_PERIOD 2006

Total Open/Reopened: 0
Total Closed Claims: 2
Total Claims: 2

Aerospace Merged
AEROSPACE CUSTOM LOSS RUN

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L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2007			CLOSED	04/30/2007	01/06/2009	ABIO	ABIO SLIP/FALL ON STAIRS	AUSTIN BERGSTROM I	11260	.00	22,230.53	.00	22,230.53	\$10,000.00	\$0.00	12,230.53
				CLOSED	06/07/2007	08/16/2007	ABIO	ABIO TRIP/FALL	AUS-AUSTIN-BERGSTR	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				CLOSED	08/02/2007	08/05/2009	ABIO	clmt fell near baggage claim	AUSTIN, TX	11260	.00	3,814.18	.00	3,814.18	\$3,814.18	\$0.00	.00
				CLOSED	01/19/2008	03/11/2008	ABIO	SEW ABIO SLIP/FALL FROM ICE	AUS-AUSTIN-BERGSTR	11260	2,759.27	.00	.00	2,759.27	\$2,759.27	\$0.00	.00
*TOTAL POLICY_PERIOD 2007											2,759.27	26,044.71	.00	28,803.98	\$16,573.45	\$0.00	12,230.53

Subtotal for POLICY_PERIOD 2007

Total Open/Reopened: 0
Total Closed Claims: 4
Total Claims: 4

Aerospace Merged
AEROSPACE CUSTOM LOSS RUN

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ATTACHMENT D

CARRIER LOSS RUN

L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2008			CLOSED	10/26/2008	01/08/2009	ABIO	ABIO FELL FROM ESCALATOR	AUS-AUSTIN-BERGSTR	11260	.00	.00	.00	.00	\$.00	\$.00	.00
				CLOSED	12/01/2008	12/22/2008	ABIO	ABIO TRIP/FALL	AUSTIN-BERGSTROM I	11260	.00	.00	.00	.00	\$.00	\$.00	.00
*TOTAL POLICY_PERIOD 2008											.00	.00	.00	.00	\$.00	\$.00	.00

Subtotal for POLICY_PERIOD 2008

Total Open/Reopened: 0
 Total Closed Claims: 2
 Total Claims: 2

 Aerospace Merged
 AEROSPACE CUSTOM LOSS RUN

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L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2009			CLOSED	01/02/2010	02/19/2010	ABIO	DEFECT NOTICE	CITY OF AUSTIN, TX	11260	.00	.00	.00	.00	\$.00	\$.00	.00

Subtotal for POLICY_PERIOD 2009

Total Open/Reopened: 0
 Total Closed Claims: 1
 Total Claims: 1

 Aerospace Merged
 AEROSPACE CUSTOM LOSS RUN

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L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2010			CLOSED	10/10/2010	02/24/2011	ABIO	AUS/AUSTIN/FELL NEAR SWA TICKET COUNTER	AUS/AUSTIN/AUSTIN-	11260	.00	15,868.75	.00	15,868.75	\$10,000.00	\$.00	5,868.75

Subtotal for POLICY_PERIOD 2010

Total Open/Reopened: 0
 Total Closed Claims: 1
 Total Claims: 1

 Aerospace Merged
 AEROSPACE CUSTOM LOSS RUN

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L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2011			CLOSED	10/19/2011	04/25/2013	ABIO	FALL ON ESCALATOR	AUS	11260	.00	.00	.00	.00	\$.00	\$.00	.00

Subtotal for POLICY_PERIOD 2011

ATTACHMENT D

CARRIER LOSS RUN

L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
		Total Open/Reopened:	0														
		Total Closed Claims:	1														
		Total Claims:	1														

Aerospace Merged
AEROSPACE CUSTOM LOSS RUN

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L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2012			CLOSED	02/12/2013	05/07/2013	ABIO	SLIP AND FALL	AUS	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00

Subtotal for POLICY_PERIOD 2012

Total Open/Reopened: 0
Total Closed Claims: 1
Total Claims: 1

Aerospace Merged
AEROSPACE CUSTOM LOSS RUN

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L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2013			CLOSED	05/30/2013	07/22/2014	ABIO	INJURY AT APRT	AUS	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				CLOSED	07/24/2013	02/24/2014	ABIO	SLIP AND FALL	AUS	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				CLOSED	10/16/2013	01/14/2014	ABIO	SLIP AND FALL	AUS	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				OPENED	03/06/2014	01/15/2015	ABIO	INJURY AT APRT	AUS	11260	.00	.00	1.00	1.00	\$0.00	\$0.00	1.00
*TOTAL POLICY_PERIOD 2013											.00	.00	1.00	1.00	\$0.00	\$0.00	1.00

Subtotal for POLICY_PERIOD 2013

Total Open/Reopened: 1
Total Closed Claims: 3
Total Claims: 4

Aerospace Merged
AEROSPACE CUSTOM LOSS RUN

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L_LEVEL_S	POLICY_P ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Claim Type	Description	Loc Desc	Site Code	Paid Losses	Paid Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred
CITY OF AUSTIN	2014			CLOSED	04/12/2014	06/17/2014	ABIO	RECORD ONLY INJURY AT AIRPORT	AUS	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				OPENED	06/05/2014	07/23/2014	ABIO	SLIP AND FALL	AUS	11260	.00	.00	1.00	1.00	\$0.00	\$0.00	1.00
				CLOSED	06/11/2014	07/24/2014	ABIO	SLIP AND FALL	AUS	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				CLOSED	07/24/2014	09/23/2014	AVPD	AUTO DAMAGE		11260	390.72	.00	.00	390.72	\$390.72	\$0.00	.00
				OPENED	08/03/2014	09/24/2014	ABIO	STRUCK BY BAGGAGE/GURNEY		11260	.00	.00	1,000.00	1,000.00	\$0.00	\$0.00	1,000.00
				CLOSED	08/14/2014	09/12/2014	ABIO	MOUSE IN PANTS	AUS	11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				CLOSED	09/14/2014	10/15/2014	ABIO	SLIP AND FALL		11260	.00	.00	.00	.00	\$0.00	\$0.00	.00
				OPENED	09/23/2014	10/02/2014	AVPD	GATE ARM vs. AUTO		11260	.00	.00	1,000.00	1,000.00	\$0.00	\$0.00	1,000.00
				OPENED	10/22/2014	10/28/2014	ABIO	INJURED IN CONSTRUCTION SITE		11260	.00	.00	1.00	1.00	\$0.00	\$0.00	1.00
				CLOSED	10/27/2014	10/28/2014	AVPD	AUTO DAMAGE		11260	250.31	.00	.00	250.31	\$250.31	\$0.00	.00

CARRIER LOSS RUN

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L_LEVEL_S	POLICY_P	ERIOD	Claim Number	Claimant	STATUS	Event Date	Report Date	Type	Description	Loc Desc	Site Code	Paid Losses	Expenses	O/S Reserves	Incurred	3rd Party Deductible	A/O Recovery	Net Incurred	
					OPENED	11/10/2014	01/07/2015	ABIO	BUMPED BY ANOTHER PASSENGER	AUS	11260	.00	.00	1.00	1.00	\$0.00	\$0.00	1.00	
					OPENED	11/18/2014	12/01/2014	ABIO	SLIP AND FALL		11260	.00	.00	1,000.00	1,000.00	\$0.00	\$0.00	1,000.00	
*TOTAL POLICY_PERIOD 2014												641.03	.00	3,003.00	3,644.03	\$641.03	\$0.00	3,003.00	
Subtotal for POLICY_PERIOD 2014																			

Total Open/Reopened:			6																
Total Closed Claims:			6																
Total Claims:			12																

TOTAL L_LEVEL_S CITY OF AUSTIN												6,900.30	54,186.42	3,004.00	64,090.72	\$37,214.48		\$0.00	26,876.24
CITY OF																			
Subtotal for L_LEVEL_S AUSTIN																			

Total Open/Reopened:			7																
Total Closed Claims:			21																
Total Claims:			28																

TOTAL												6,900.30	54,186.42	3,004.00	64,090.72	\$37,214.48		\$0.00	26,876.24
GRAND TOTALS																			

Total Open/Reopened:			7																
Total Closed Claims:			21																
Total Claims:			28																

ATTACHMENT E

FY 2015 DEPT. OF AVIATION OWNED VEHICLES

Vehicle Description	Number
(a) Fuel Trucks	0
(b) Movers	19
(c) Snow Remove	0
(d) Pick -Up Trucks	38
(e) Fire Engine	0
(f) Passenger Cars	2
(g) Tugs	0
(h) Fixed Wing Aircraft owned by Applicant	0
(i) Helicopters owned by Applicant	0
(j) Other – SUVs	17
(k) Other – Tractors	8
(l) Other – Dump Trucks	4
(m) Other – Sweepers	4
(n) Other – Vans	6
(o) Other – Bucket Truck	2
(p) Other – Bus	1
(r) Other – Wrecker Truck	1

ARFF VEHICLES

(a) Frontline ARFF Trucks	3
(b) Reserve ARFF Trucks	2
(c) Crew Cab Response Vehicle	1
(d) Single Cab Command Vehicle	1
(e) Command Expedition SUV	1
(f) Air Stairs	1

ATTACHMENT F ENVIRONMENTAL INFORMATION

In 1992, the City of Austin began redeveloping the former Bergstrom Air Force Base into a new airport to replace the former Robert Mueller Municipal Airport (RMMA). As part of the redevelopment process, an Environmental Impact Statement (EIS) for the Disposal and Reuse of Bergstrom Air Force Base was completed by the United States (U.S.) Air Force. The EIS was prepared in accordance with National Environmental Policy Act (NEPA) to analyze the potential environmental consequences of disposal of the base. In addition to the EIS, an extensive environmental remediation program was created to clean up the 481 hazardous waste sites located on the property. These sites covered a wide range of character and size including fuel spills, landfills and underground plumes of solvents. The clean up was lead by the Air Force Base Conversion Agency (AFBCA) and involved many entities including the United States Environmental Protection Agency (EPA), Texas Commission on Environmental Quality (TCEQ) formerly the Texas Natural Resource Conservation Commission (TNRCC) and local City of Austin, Department of Aviation Environmental officials. Throughout the clean up process, a series of status closure reports were drafted for the individual sites of concern. Also, a comprehensive database was also created to track the clean up of the 481 hazardous waste site. To date, approximately 95 percent of the hazardous wastes site have been remediated and closed, while the remaining 5 percent are stilled undergoing clean up. There are a series of groundwater monitoring wells located throughout the airport property that are associated with monitoring and clean up of the remaining sites.

In addition to the EIS prepared by the U.S. Air Force, and remediation program implemented by AFBCA, the City of Austin in association with the Federal Aviation Administration (FAA) also completed an EIS for the construction of the proposed development alternative identified in the 1993 Airport Master Plan. The proposed development alternative included two widely spaced parallel runways (12,250 existing military runway and a new 9,000 foot runway), a centralized passenger terminal, a two level terminal access road along with approximately 11,000 vehicle parking spaces and air cargo facilities. In order to construction the new 9,000-foot runway, the City of Austin had to acquire approximately 940 acres of property. Prior to property acquisition, a series of Phase I Environmental Assessments were completed. Areas of potential environmental concern identified through the assessment process such as Underground Storage Tanks (UST) and asbestos contain materials, were remediated and closed as part of the overall airport environmental remediation and demolition construction process.

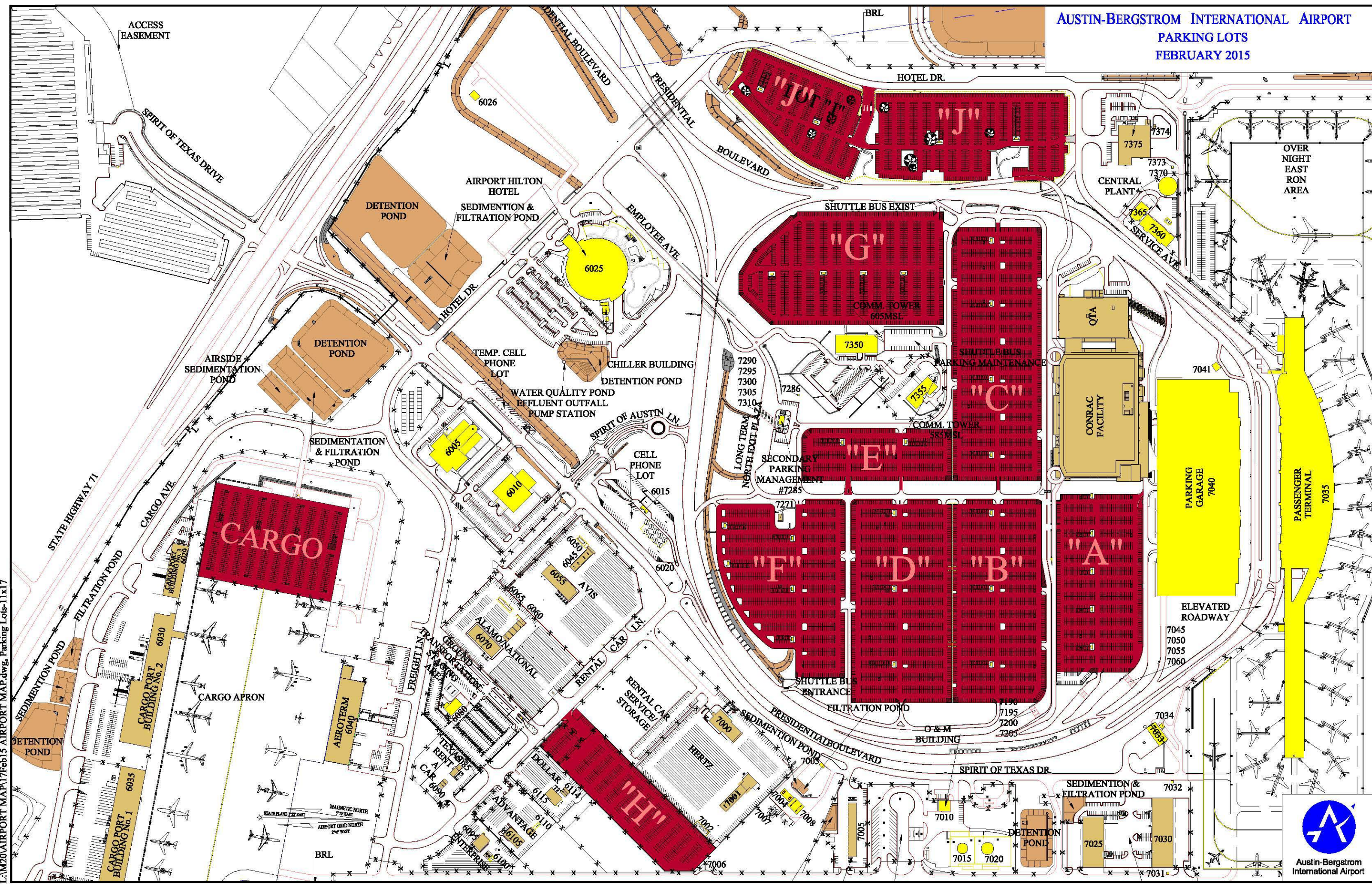
On May 23, 1999 the newly constructed Austin-Bergstrom International Airport (ABIA) opened for commercial airline service. As in construction, the City of Austin is operating the new airport as a model environmental airport. A comprehensive Storm Water Pollution Prevention Plan (SWPPP) has been created in order to bring ABIA into compliance with the requirements of the National Pollution Prevention Discharge Elimination System (NPDES) program administered by the U.S. EPA. The State of Texas took over administration of the NPDES program on August 20, 2001. The City of Austin - Aviation Department now has Texas Pollutant Discharge Elimination System (TPDES) permit. The SWPPP has also been created to provide consistent and effective management of storm water runoff. The SWPPP presents a description of the ABIA facility, a discussion of potential pollution sources resulting from practices and activities at the airport, and identifies storm water management policies, controls and Best Management Practices (BMPs) to eliminate or reduce pollutants entering the storm water system.

As part of the SWPPP, a comprehensive Storm Water Monitoring Program and Spill Response Plan has been created. The Storm Water Monitoring Program enables the City to evaluate the effectiveness of the SWPPP through dry and wet season visual observations and quarterly sampling and analysis. The Spill Response Plan for ABIA outlines spill response procedures for all spills occurring at the airport. This plan plays a vital role in achieving and maintaining a state of readiness that will allow a prompt and orderly response to all spills.

In addition to the above, the City has developed guidelines pertaining to Materials Storage and Handling, and Hazardous Waste Management. These guidelines are detailed in the SWPPP along with annual periodic environmental inspection requirements and training initiatives.

The City of Austin has taken a very comprehensive approach to environmental management and as such, the City has won several environmental awards. Environmental Management and Compliance has always been and will continue to be a top priority of Department of Aviation staff. Copies of all EIS's, status and closure reports and the SWPPP are located at 2716 Spirit of Texas Drive, Austin Bergstrom International Airport, Austin, Texas 78719.

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
PARKING LOTS
FEBRUARY 2015



Austin-Bergstrom
International Airport

REQUEST FOR MARKET ASSIGNMENT

All agents/brokers who wish to participate in this proposal shall submit this Request for Market Assignment and will be assigned up to two primary markets. **The Lloyds of London market will not be assigned, but will be open to all Proposers. Direct writers may submit on a direct basis.**

This form must be filled out completely and returned to the City of Austin Purchasing Department **No later than 2:00 p.m. Central Standard Time on Monday, March 24, 2015** to the following:

Attn: Jonathan Dalchau, Senior Buyer
e-mail: Jonathan.Dalchau@austintexas.gov

City of Austin will assign markets and notify agents/brokers of market assignment on or about March 27, 2015.

A. GENERAL INFORMATION:

Agency/Broker Name:

Address:

Telephone /Email address:

Fax #:

Principal/Account Executive:

B. AIRPORT LIABILITY INSURANCE MARKETS:

List airport liability insurance markets you wish to approach in order of priority. If the company is part of a "Group", also list associated premium volumes for the Group. If the incumbent broker chooses the incumbent carrier as their market, the request will be granted.

	Company/Group Name	Contact	Telephone	Office Premium Volume	National Premium Volume
1					
2					
3					

Provide the insurer's full corporate name and provide the name of the individual we may contact, with telephone number, to confirm any representations.

Show premium volume, **for airport liability coverage only**, for the most recent twelve month period through the end of December, 2014. If your office is a branch office of a regional, national, or international organization, you must show premium **for your office only**. Do not show premium volume for offices other than your own under the "Office Premium Volume" column.

C. NONPARTICIPATION:

If agency/broker/carrier does not wish to participate, please state reasons below:

Austin-Bergstrom
International Airport

2014

ANNUAL
SUSTAINABILITY
REPORT

GROWING *with Austin*



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Operational Excellence

Economic Sustainability

Environmental Stewardship

INTRODUCTION

Austin IS ONE OF THE FASTEST GROWING CITIES IN THE U.S.

Austin-Bergstrom International Airport currently ranks as the 34th busiest airport in U.S.A., up from 44th in 2006. We're over ten million passengers annually. In fact, ABIA set an all-time total record in 2013 with 10,017,958 passengers through our terminal.

Austin-Bergstrom International Airport isn't just keeping up: we are planning for the anticipated changes our region will experience.

With judicious and creative planning, our Airport continues to expand its facilities to keep up with anticipated passenger demand. We're currently

building an addition to our terminal and new parking and car rental facilities. Soon, we will begin the process to add seven more gates to the terminal. Air service is growing as well, with four new airlines joining ABIA and nine new routes added. British Airways announced the first nonstop, transatlantic service from Austin beginning in March 2014, another ABIA milestone.

We're growing, and we have always been committed to managing our expansion without compromising the needs of the future. This year was no different. New construction included LEED-certified buildings and

hundreds of trees were planted and preserved including heritage trees. Four areas of sustainability comprise the foundation of Austin-Bergstrom International Airport: customer and community value, operational excellence, economic sustainability, and environmental stewardship. But the heart of ABIA is our people. ABIA's employees are dedicated and hard-working, and bring diverse talents to the Airport's operation. Our commitment to a great passenger experience and our building for the future simply couldn't happen without them. We're all excited to show you where we're headed. ✈



Austin-Bergstrom International Airport is governed by the Austin City Council and proudly contributes to the City of Austin's mission of being the best-managed city in the country. Together we are working toward making Austin the most livable place in the country.

CUSTOMER SERVICE AND COMMUNITY

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT'S *high standards* OF CUSTOMER SERVICE GET NOTICED.

Austin's airport continues to grow its brand around a quality customer experience, improving workflow processes, and providing passengers with exceptional facilities and services. To be sustainable, these needs of the present must be met without compromising the future.

Our excellent customer service along with our uniquely Austin style has distinguished Austin's airport. Citing few delays, local foods, and live music, *Travel+Leisure* named ABIA third in its ranking of America's Best Airports. It also ranked ABIA fourth on its "Best Airport Security Checkpoints" list.

Austin-Bergstrom's welcome of the world class Formula One (F1) U.S. Grand Prix earned us first place for "Customer Service Initiatives" in the Excellence in Airport Marketing and

Communication Awards of Airports Council International North America (ACI-NA). F1 brings record crowds through Austin's airport. The day after the 2013 race, 22,759 passengers departed ABIA. This broke the previous single-day departure record of 21,725 after last year's F1.

TSA PRE-CHECK (TSA PRE✓™):
In February 2013, the Transportation Security Administration expanded its Pre-Check (Pre✓™) initiative to ABIA. Passengers participate voluntarily and are prescreened prior to their



arrival at the airport checkpoint. They are then directed to a Pre✓™ lane, where they are permitted to leave on shoes, belt and light outerwear, and keep laptops in cases and 3-1-1 compliant liquids in carry-on bags. This initiative expedites the screening process and allows the TSA to focus its resources on other areas of screening.

ART IN THE AIRPORT:
Have you noticed our art gallery? It's the entire terminal. ABIA has long featured the work of local artists, be it the murals, the installations over the ticket counters, the mosaic along the walkway to the car rental, or, of course, the colorful, oversized guitars at baggage claim. In fact, the readers of USA Today chose ABIA as one of the 10 Best Airports for Art.



MUSIC IN THE AIR

Touch down at Austin-Bergstrom International Airport and you're already at the first music club of your visit. Local musicians are featured at the live stages throughout the concourse, and Austin music plays over the PA.



Here are more reasons why the *Austin Chronicle* and the Austin Music Awards named ABIA one of the best live music venues in the city:

- Live concerts increased to 23 shows a week, and the success of the music program has inspired airports around the country to follow suit.
- When record crowds arrived for South by Southwest in March, live local music welcomed them – and sent them off after the festival.
- Last summer, ABIA hosted the 7th Annual Kid Band Week, featuring a diverse group of Austin-area musicians, all under the age of 18.
- The Wheeler Brothers, recently awarded the "Best Roots Rock Band" by the Austin Music Awards, debuted their new album, "Gold Boots Glitter," at the Airport making it its first ever CD release celebration.

The Department of Aviation is working with the Economic Development Department's Art in Public Places (AIPP) initiative in commissioning new artworks in conjunction with the construction of the Terminal East Infill Project, Spirit of Austin Lane/Cell Phone Lot and the Consolidated Rent-A-Car facility (CONRAC). The AIPP program receives two percent of new construction project budgets. The program collaborates with local and nationally-known artists in creating artwork that includes the history and values of our community into cultural landmarks. An

unprecedented \$2,575,000 for AIPP has been generated from these construction projects.

The City of Austin presented the Airport with a "Partner In The Arts" award, which are given out annually to individuals and organizations which have made valuable contributions to the work of the Cultural Arts Division over the past year. The award recognized airport staff efforts in guiding these unprecedented levels of new art commissions for the airport.

CONCESSIONS:

We're always looking for ways to make the traveling experience better for each and every passenger, and our dining and retail options are plentiful and feature Austin.

Almost ten million passengers passed through the concourse in the last year. Here's what those record crowds enjoyed:



54.5
tons of brisket



498,141
breakfast tacos



805
live music performances



17,805
"Keep Austin Weird" t-shirts purchased!

More accolades for ABIA eats:

6 Airport Meals To Eat Before You Die:

(Birchbox.com)

Six World's Airport Restaurants That Promise To **Make Travelling a Joy**

(Business Today)

Salt Lick at ABIA one of its **Best U.S. Airport Foods.**

(USA Today)

Named **Salt Lick** one of it's **Best Airport Foods.**

(Travel+Leisure)

Pop-up shops present travelers with new options at new locations. Amy's Ice Creams sold 1,560 chocolate covered strawberries in just three days to travelers from their pop-up store in bag claim. Travelex Currency Exchange expands its business in the airport with a pop-up in bag claim during international events like the U.S. Grand Prix.

We also featured the world's first **BENEFIT COSMETICS AIRPORT KIOSK**. You can't miss it - the kiosk resembles a pink vintage "beauty bus", and gives jetsetters instant access to 30 best-selling products as well as application tips and tricks through its graphic user interface.



OUR TEAM

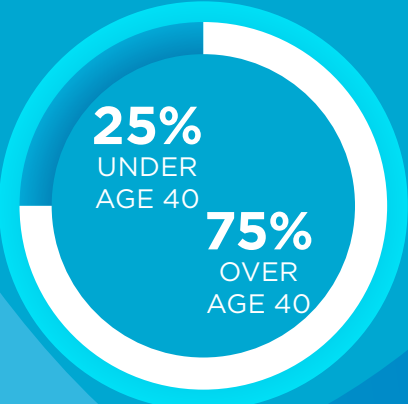
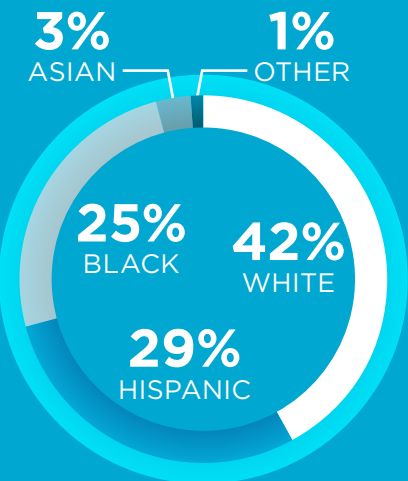
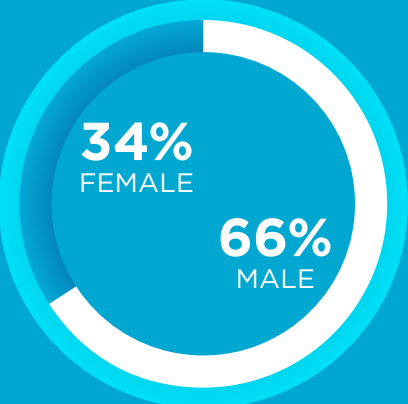
Airports are a 24/7/365 affair. That 'round the clock activity doesn't happen magically. It takes dedicated and talented people. From the parking lot to the terminal to the runway, our people take pride in their contributions to the airport, and it shows.

BUILDING THE BEST TEAM

First and foremost, we want to build the best team we can. The Department of Aviation devotes tremendous resources to creating a crackerjack team and fostering a diverse and inclusive work environment. We strive to create an environment of continual learning through education, training, and career development opportunities, all of which are vital to building a workforce that is prepared to deliver results in an ever-changing and complex environment. To that end, we use conferences, seminars, webinars, on-the-job training, tuition reimbursement, and coaching and mentoring opportunities.

Furthermore, our people are integral in shaping ABIA, and we asked for feedback. Through anonymous participation in a survey, we got our employees' perspective on our organization. The results of the survey, which garnered a 71% participation rate, are then shared with everyone. Then we listened: the employee engagement survey helps management identify actions for improvement.

WORKFORCE DEMOGRAPHICS: DIVERSITY



REWARD & RECOGNITION PROGRAM

We place a premium on recognizing contributions. The Department of Aviation provides resources to acknowledge achievements and milestones with luncheons, team outings, and gift cards. We also know that so much of what we do depends on teamwork, and we also seek to acknowledge teams among the divisions.

BENEFITS

We strive to be ahead of the curve when it comes to competitive compensation and benefits packages. We offer a comprehensive benefits package, including health care and life insurance for employees and their families, earned vacation leave, a deferred compensation plan, counseling programs, and flexible work hours. We also introduced two new paid leave programs in 2013.

SAFETY

ABIA has a comprehensive accident prevention plan in place, and airport employees are also required to take safety training every year. We have established a Safety Committee, which oversees programs that have been developed in part by employees. We're proud that ABIA received an Occupational Excellence Achievement Award from the National Safety Council in 2013.

2013 ACCOMPLISHMENTS

- Named Healthiest Employer in Central Texas
- More Health Assessment Events (45 events)
- More PE classes (four quarters)
- New Diabetes Program (10% of diabetics completed program)
- Diabetes Program (winner of SALGBA Challenge)
- Three Health Expos
- City Olympics!
- Onsite Health Coaching
- Maintain, No Gain Challenge

WELLNESS PROGRAM

Healthy Connections is the City of Austin's award-winning wellness program, and it helps employees, retirees, and their families create healthier lives through many programs and services. These include health assessments, fitness seminars, smoking cessation, physical education classes, diabetes control, Weight Watchers at Work, and even vegetables delivered from local farmers. We also added a wellness financial incentive plan this year. In addition, the Aviation Department also has an on-site Fitness Center and offers a broad range of health and wellness activities.

COMMUNITY

We love it here, AND IT SHOWS. NOT ONLY ARE WE RESIDENTS OF THE HILL COUNTRY, OUR EMPLOYEES SEEK OPPORTUNITIES TO HELP ENRICH THE QUALITY OF LIFE IN OUR COMMUNITY.



AIRPORT FLOAT

Who can resist a parade? The ABIA float was created by employees in their spare time by reusing and recycling materials. It is a complete jet, runway lights, and a control tower. It's a big hit at events throughout the community such as the Veterans Day Parade, Gorgeous Millie's Touch a Truck, Texas Independence Day and Juneteenth Parades.



DEL VALLE SCHOOLS GOOD NEIGHBOR PROGRAM

It's hard to say who gets more out of the Del Valle Elementary Mentor Program: the employees who volunteer their time, or the kids who share their time with the employees. Folks from ABIA spend time with students to read, talk, play games, and share their experiences. They also participate in clothing and school supply drives for Del Valle students as part of the Adopt-a-Family program. Over the holidays, employees provide families with gifts and holiday feasts. The kids also get to tour the airport facilities with the volunteers, and the Airport gets to feature a one-of-a-kind art exhibit created by the students each year.

ABIA also participates in Del Valle's Adopt-A-School Board program. Comprised of parents, community members, and community liaisons, the program sets annual goals to assist the District in various ways. These goals include scholarships for Del Valle High School seniors, the Teacher of the Year program, the New Teacher Luncheon and Bus Tour for all new educators, and the Year-End Celebration honoring adopters, volunteers, and mentors.

HONOR FLIGHT AUSTIN

Honor Flight Austin flew 281 World War II veterans from the region to the National WWII Memorial in Washington, DC. Honor Flight is a nonprofit organization created to honor veterans by providing transportation to their war memorials, and the Austin chapter serves veterans in Travis, Williamson, Hays, Bastrop, and Caldwell counties. Nine flights in all, the veterans flew on Southwest Airlines and the airport's ThunderCloud Subs provided complementary lunches.



THANK YOU MEALS FOR MILITARY

Active-duty military personnel could enjoy free meals at ABIA, courtesy of concessions operated by Delaware North Companies. The "Thank You Meal" program was available Thanksgiving through New Year's to any active-duty United States military service member passing through ABIA and included local favorites Annie's Café, Ray Benson's Roadhouse Bar, Mangia's Pizza, Austin Java, Schlotzsky's Deli, The Salt Lick Bar-B-Que, Earl Campbell's Sports Bar, Maudie's Tex-Mex, Hill's Café, Nuevo Leon Mexican Restaurant, SoCo Market and Saxon Pub.

SPEAKERS BUREAU

We're excited about ABIA, and we want to tell everyone who'll listen! Our Speakers Bureau brings airport representatives to organizations in the region, such as Chambers of Commerce, civic organizations, and businesses, to talk about the Airport, its future, and the aviation industry.

Did you know we produced a video this year? Entitled *Did You Know?*, it illustrates how ABIA links our community to the world.



Our Speakers Bureau uses the video with various organizations to show just how vital ABIA is to the region: it makes for 7% of local jobs, and \$2.4 billion into the local economy.

CHINESE NEW YEAR

In February, the Airport rang in the Chinese New Year in style with several musical acts on the concourse stage, including Chinese pop band 512 and Guzhen Shao Studio's Chinese Instrumental Ensemble.

MINORITY/ WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)

The Airport actively participates in the Minority/ Women-Owned Business Enterprise (MBE/WBE) program. This program supports minority, women, and disadvantaged business owners in business opportunities with the City of Austin, and it also encourages bidders to promote subcontracting opportunities to certified MBEs, WBEs and DBEs by soliciting firms for subcontracting opportunities.

AIRPORT AMBASSADORS PROGRAM

We couldn't keep up with our burgeoning passenger base without our Airport Ambassadors. The ambassadors are volunteers who love Austin and who are ready, willing and able to assist passengers at the Visitors Information Center.

Customer service has been further enhanced by airport employees from all work areas contributing up to 40 hours annually to performing passenger assistance duties.

BUSINESS PARTNERS

ABIA actively cultivates collaboration among community organizations like the Greater Austin Chamber of Commerce and the Austin Convention and Visitors Bureau, as well as departments within the City of Austin. These partnerships create support and leadership in growing the Airport, such as attracting new airlines and adding new routes. For instance, ABIA gathered community support to help Southwest Airlines land a new nonstop to Washington D.C's Reagan National Airport, an extremely competitive route. This successful work with the community and airline earned ABIA:

FIRST PLACE

"Partnering With Carriers Award"

of the Airports Council International-North America Excellence in Airport Marketing and Communication Awards.

British Airways lands first nonstop transatlantic service to ABIA.



OPERATIONAL EXCELLENCE

AUSTIN-BERGSTROM INTERNATIONAL AIRPORT *continues to set records* FOR ANNUAL PASSENGER TRAFFIC.

A record 10 million passengers passed through the airport in 2014, a 6% increase over the previous year. Improving passenger facilities and workflow processes are demands of operational excellence.

SHARED USE FACILITIES FOR AIRLINES

In the fall of 2013, ABIA introduced the Shared/Common Use System, which allows ticketing counters and gates to be used by multiple airlines. Some airlines may have only one daily flight out of ABIA, and this allows them to operate out of a shared space while accessing their own ticketing system. As one airline completes its need for the space, another airline can then use the same space. Virgin America,

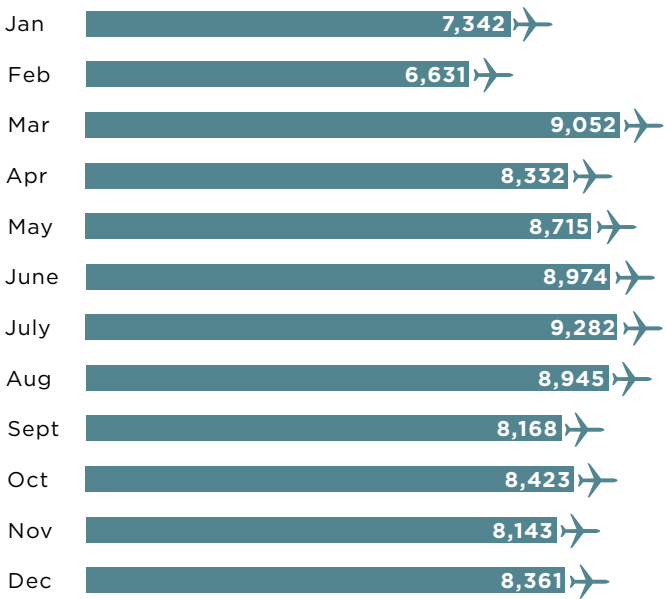
Allegiant, and Aeromar were initial users of the system, and airlines will be added to the system. This common use system will allow the airport to continue to grow air service efficiently while planning new gates and infrastructure.

SAFETY TRAINING AND LOST TIME INJURIES

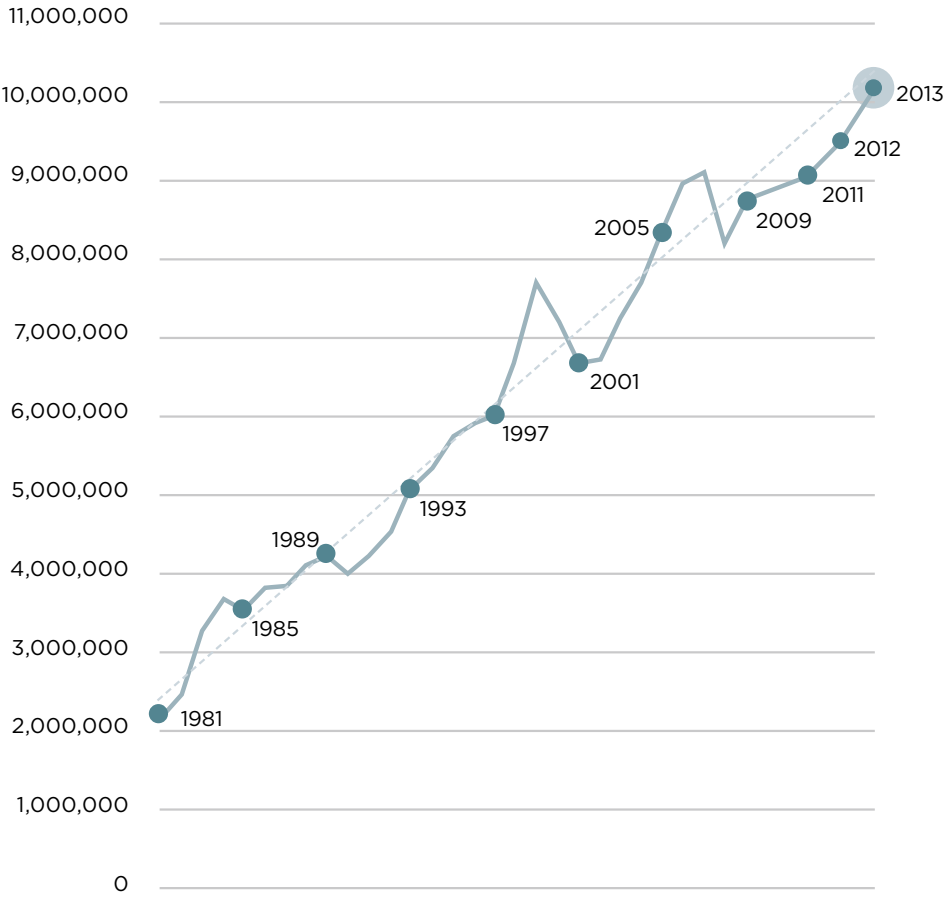
The year saw just three lost time injuries, which resulted in a 0.95 lost time injury rate. We aim for a low number on this scale, and ABIA came in well under the industry standard for Airport Operations of 1.40. Seventy safety classes were conducted with 1,070 students attending, resulting in 1,736 training hours.

ABIA OPERATIONAL PERFORMANCE: GROWTH

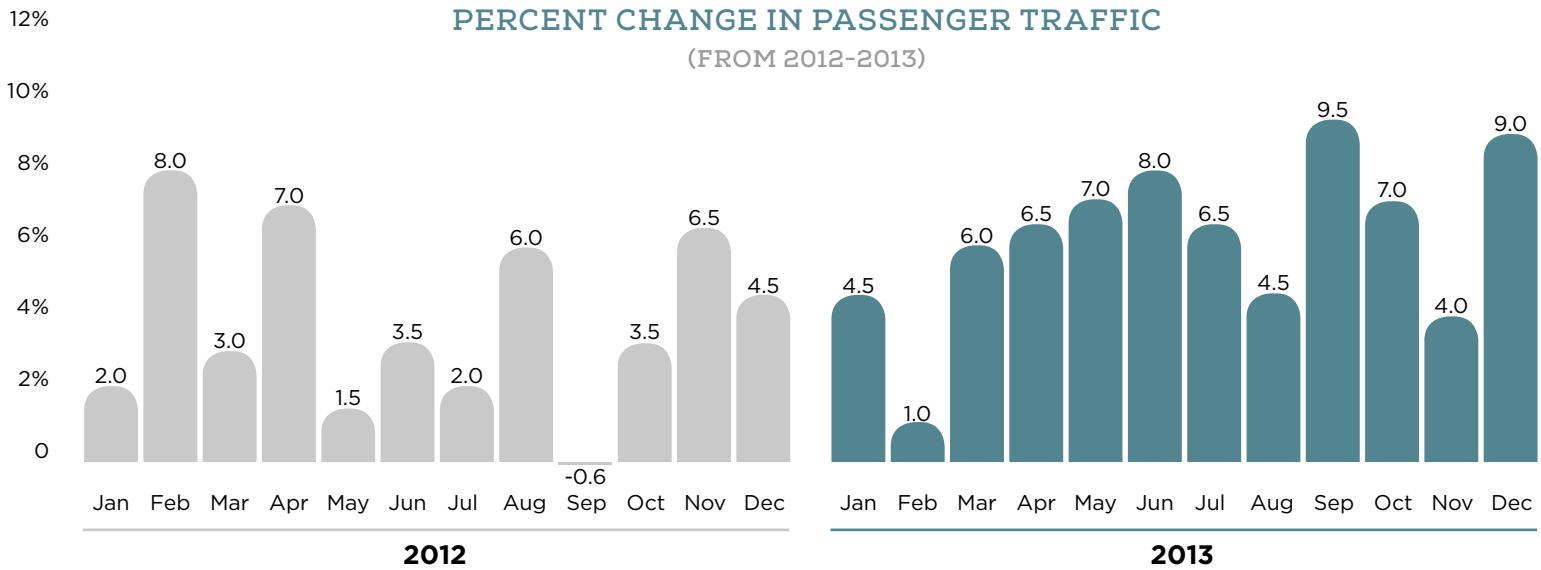
MONTHLY ABIA FLIGHTS FOR 2013
(COMBINED INBOUND & OUTBOUND)



TOTAL AUSTIN PASSENGER GROWTH
(5.5% AVERAGE GROWTH SINCE 1981)



PERCENT CHANGE IN PASSENGER TRAFFIC
(FROM 2012-2013)





CONRAC construction slated for completion in 2015.

MAJOR CONSTRUCTION GROWTH

We broke ground in April 2013 for a multi-level Consolidated Rent-a-Car facility (CONRAC). This will combine all car rental operations into one area. It also will relocate rental car business from its current location atop the parking garage. That means an additional 900 parking spaces become available for travelers. Slated for completion in 2015, this \$150 million dollar construction project addresses visitor growth and demand.

ABIA is also building an addition to the terminal to the tune of approximately 55,000 square feet. The Terminal East Infill Project

creates a new passenger access between ticketing and the east concourse, and includes 10 new passenger screening lanes which in turn expedites the flow of passengers through the terminal. Part of this project also includes renovation of the international arrivals area. The Terminal East Infill Project is scheduled for completion in 2015, and sets the stage for future expansion.

What's ahead for Austin-Bergstrom International Airport? Our Five-Year Capital Improvement Projects (CIP) will add:

- Seven gates, new loading bridges, and passenger hold rooms
- Approximately 70,000 sq. ft. of new terminal concourse space
- Approximately 12,000 sq. ft. of concessions space
- Capability for international gates, including flexible international/domestic gates on the concourse level
- Several airline operations offices on apron level
- Potential to add baggage carousels on apron level

PARKING IMPROVEMENTS

The CONRAC construction has temporarily eliminated about 800 parking spaces in Lot A, and 200-300 spaces in the adjacent Lots B & C. When CONRAC opens, all those spaces will be regained and the 800 spaces of Lot A will be covered. Nine hundred more spaces will be added on the third floor of the original parking garage, which were formerly occupied by rental cars. Lot G is being expanded to add 311 new spaces, for a total of 1525. About 100 of these new spaces were already available by the end of November 2013, and the rest will be available in early 2014. A new surface lot is being added as well. Lot J will add almost 1,500 spaces for public parking when it opens in early 2014.

NEW SERVICES AND PRODUCTS

ABIA's new Family Friendly Valet makes for easier parking for those with kids in tow. For \$15/day, tax included, families simply drive to the upper-level curbside valet area, leave their vehicle with an attendant, and make the short walk into the terminal.

ABIA is now BYOWB - Bring Your Own Water Bottle. The first of four water bottle filling stations is located across from Gate 5, so passengers can bring their own empty bottles and fill them before boarding flights. Each station has

a "Green Counter" displaying the number of plastic bottles saved from landfills with each use. Three more stations will be added throughout the terminal, across from Gate 17 and in the East and West food courts.

Charge it, please – at our new power towers. The towers provide additional electrical and USB outlets for passengers at Gates 5 and 4. Situated between sets of chairs, passengers can "refuel" their electronic devices before their flights.



ECONOMIC SUSTAINABILITY

OUR AIRPORT IS ENTIRELY *self-sustaining*: PRODUCING REVENUE TO COVER OPERATING COSTS AND IMPROVEMENTS.

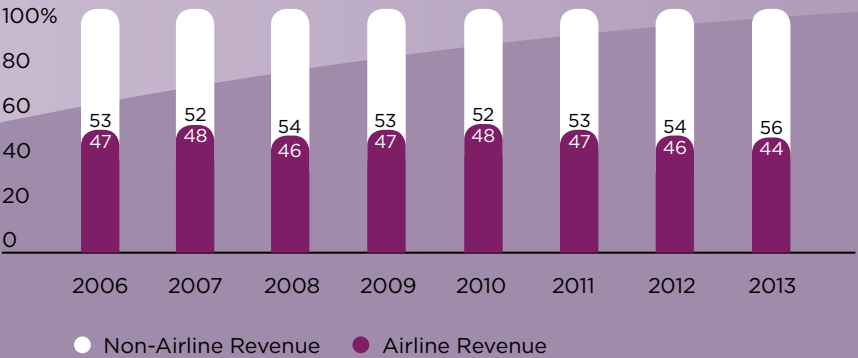
By creating a high percentage of revenue from such sources as parking, rental cars, and concessions, ABIA is able to keep costs reasonable for airlines to do business with us making ABIA even more attractive for airlines.

The airport supports over 40,000 jobs (that’s 7% of the total jobs in Austin), 3,000 of them at the Airport itself. And Austin-Bergstrom International Airport generates \$2.4 billion annually into the region’s economy.

As the fastest growing American city for the third year in a row, Austin continues to maintain a strong economy.

- In its Best Cities for Job Growth ranking (August 7, 2013), *Forbes* stated “Austin leads a list of seven Texas metros that rank among the 10 areas expected to have the fastest job growth through 2015.”
- Our city is “#1 in the U.S. for Job Growth” and “#1 Best City for the Next Decade” (*Kiplinger*, 2010)

AIRLINE REVENUE COMPARED TO NON-AIRLINE REVENUE



Revenue	2011	2012	2013
Landing Fees	19,402,479	19,737,736	22,166,054
Terminal Rent/Other	22,366,757	24,028,973	23,183,252
Total Airline Revenue	41,769,236	43,766,709	45,349,306
Parking	27,854,382	31,028,654	32,155,216
Other Concessions	16,727,704	19,724,740	19,802,543
Other Rentals & Fees	2,994,955	1,383,897	6,206,935
Total Non Airline Rev	47,577,041	52,137,291	58,164,694

OPERATING REVENUE	89,346,277	95,904,000	103,514,000
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Airline vs Non-Airline			
Airline Rev	47%	46%	44%
Non-Airline Rev	53%	54%	56%

- *Forbes* cited Austin’s projected annual job growth of 4% and an unemployment rate of 5.5%.
- Austin has the highest median household income metro area in Texas (U. S. Census, 2010)

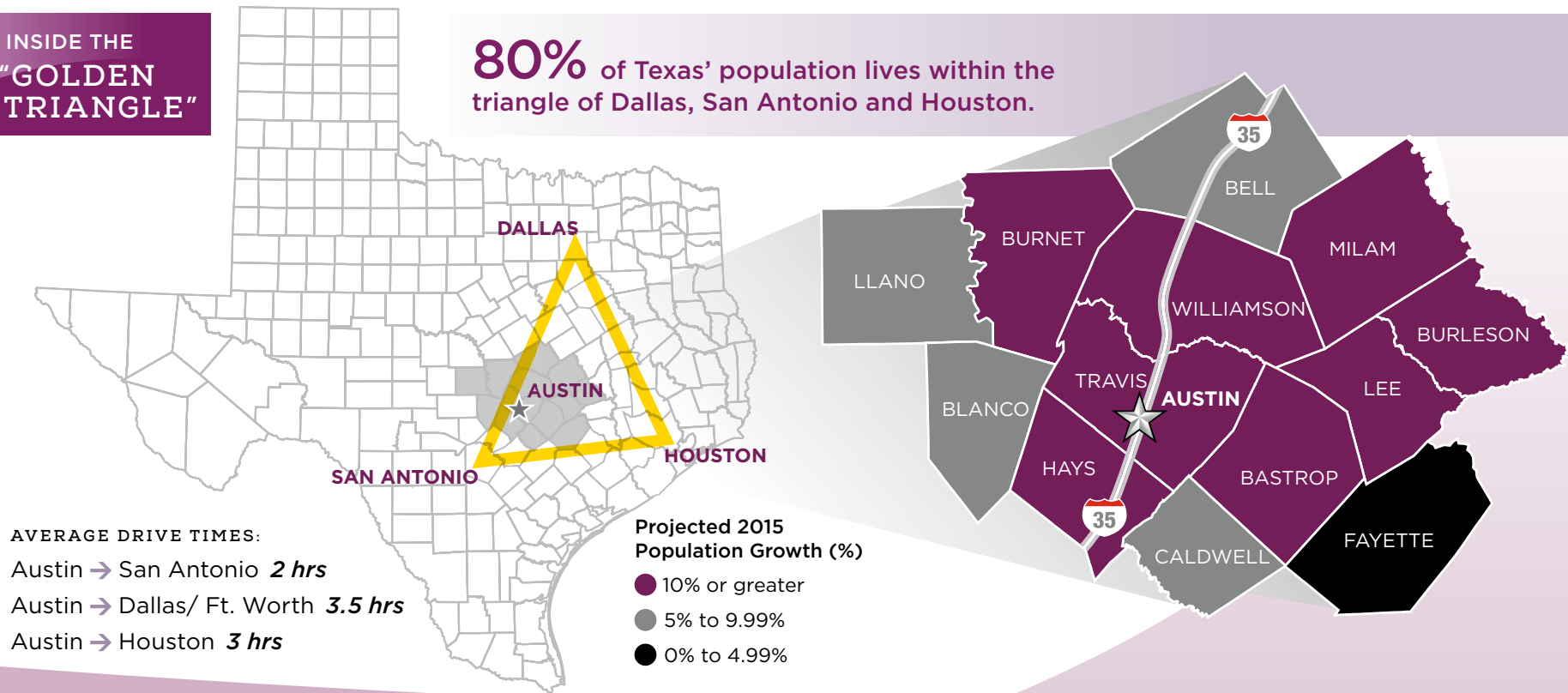
↑ **7.9%**

In 2013, ABIA generated revenue totaling \$103,514,000, a 7.9% increase from 2012 revenue of \$95,904,000.

- Texas has the second largest economy in the U.S. (U.S. BEA, 2012) and is the number one state in which to do business (*Chief Executive Magazine*, 2013)
- Austin jumped from 13th to 11th largest U.S. city (U.S. Census, May 2013)

INSIDE THE “GOLDEN TRIANGLE”

80% of Texas’ population lives within the triangle of Dallas, San Antonio and Houston.



AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

CONNECTS CENTRAL TEXAS

to the World.

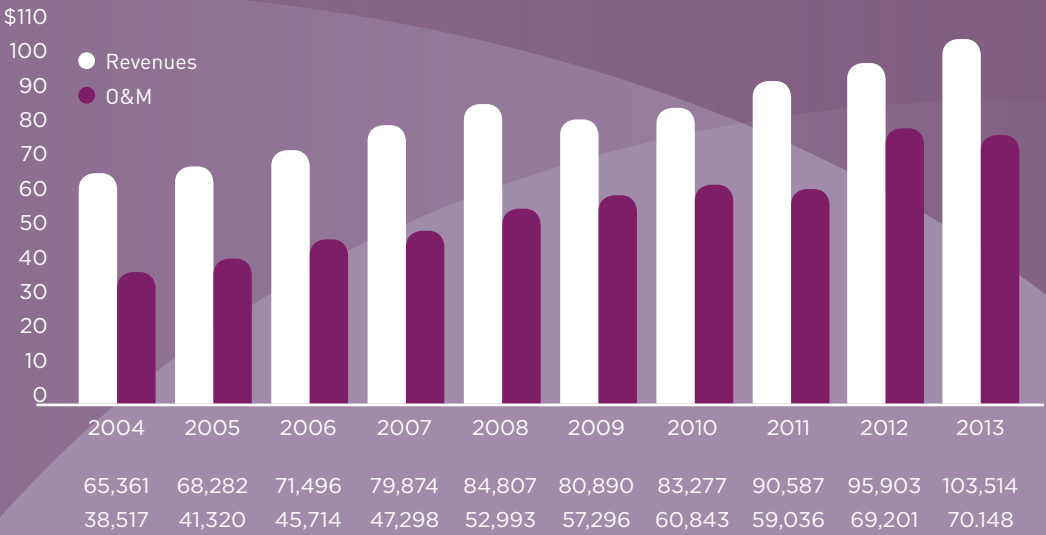
NEW NONSTOP SERVICE IN 2013

Austin → San Jose del Cabo, AirTran & United Airlines (seasonal)
Austin → Cleveland, United Airlines
Austin → Mexico City, Aeromar
Austin → New Orleans, Southwest Airlines
Austin → London Heathrow, British Airways

NEW CARRIERS IN 2013

Virgin American: Austin → San Francisco
Aeromar: Austin → Mexico City
Allegiant Airline: Austin → Las Vegas
British Airways: Austin → London, Heathrow

10 Year Financial Performance (\$000)Revenues and Expenses



PARKING

Our Family Friendly Valet debuted and was a hit from the start — valet parking use increased by 18%. More customers used the convenient Cell Phone Lot, which created more revenue capacity in the parking garage.

Even as we faced stiff competition from offsite chain parking lots, and lost a significant number of parking spaces due to CONRAC construction, passengers still decided to “go local” and park with us — and we maintained revenue despite these challenges.

NON-STOP DESTINATIONS:



Several major events like **Formula 1, Austin City Limits Music Festival, SXSW, Austin Film Festival** and **X Games** bring thousands upon thousands of people to the city, which will result in high-end hotel capacity increasing by 2,400 rooms by 2015.



ENVIRONMENTAL STEWARDSHIP

PRESERVING OUR QUALITY OF LIFE IS *paramount* FOR US AT ABIA.

Our environmental initiatives reflect the responsibility we feel we have to be good stewards of our region.

WASTE DIVERSION

The City of Austin banned single-use plastic bags in early 2013, and the Airport implemented this initiative throughout the terminal. Concessionaires now provide customers with a recyclable bag or have eliminated the use of bags for some purchases. Some vendors also have reusable bags available for purchase. The terminal recycling program continues to grow, and saw a 17% increase in CY13 from 256 tons to 310 tons recycled. Several major construction projects diverted 18,845 tons of material from local landfills in CY13.

GREEN BUILDING

Buildings in the U.S. consume a high proportion of our natural resources, and are responsible for 30% of our waste generation. Green building, also known as green construction or sustainable building, is an effort to transform the way that constructed environments are designed, built, and operated. To that, ABIA incorporates principals established by the U.S. Green Building Council in new construction at the Airport. The result? Water saved, energy saved, a reduction in raw materials used, and a reduction in CO₂ emissions.

ABIA was proud to receive a Leadership in Energy and Environmental Design (LEED) Gold designation from the U.S. Green

Building Council for the Airports' Ground Transportation Staging Area (GTSA). This is the first Austin airport building to earn Gold LEED certification. The GTSA uses high-energy mechanical, electrical, and plumbing efficiency systems, and includes a 74 kW solar array which offsets 50 percent, or 90,665 kWh of the GTSA's power needs. It also has a rain water collection system for landscaping. The building saves 123,347 kWh of energy annually, approximately 6,550 gallons of water annually, and 1,011 tons of construction waste is diverted from landfills. Not that we'd brag, but the GTSA also received bonus points for regional priority and innovation in design.

ABIA has two major construction projects underway that are being built to LEED standards as well: the Terminal East Infill project and the CONRAC facility. These projects have a \$200 million plus combined budget, and the new facilities will improve parking availability, traffic flow, and passenger flow in the terminal while at the same time reducing their environmental impacts.

Spirit of Austin Lane features a Live Oak, the age and size of which make it a heritage tree, whose entire root zone has been preserved at the center of the roundabout. Additionally, this new airport road has been lined with new trees. Each tree can absorb 48 lbs of CO₂ per year.

WATER QUALITY

Visitors might see Spirit of Austin Lane as part of the beautifully landscaped Airport campus. What may escape the eye is that the street does double-duty removing roadway pollutants from the watershed. Innovative water quality controls were incorporated into the landscape design, such as the median that serves as a rain water retention feature known as a rain garden.

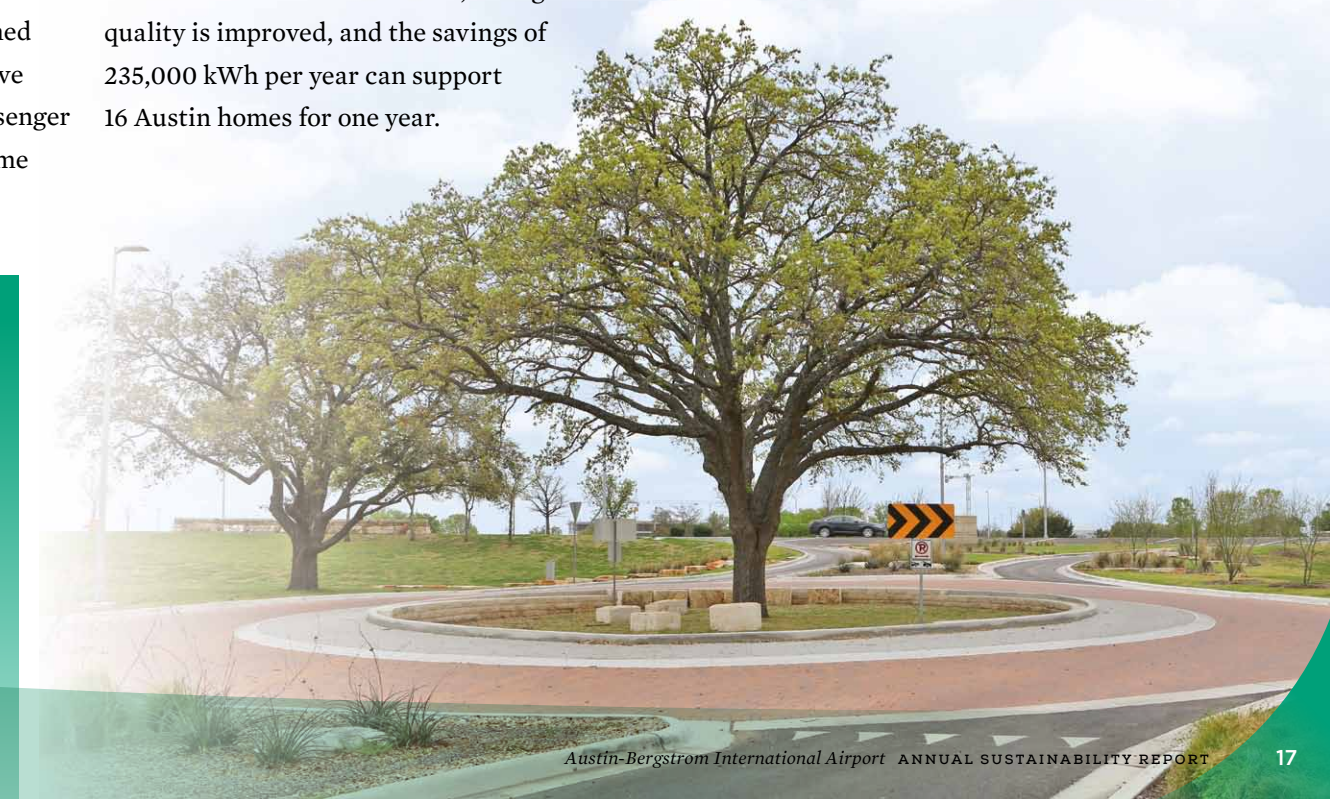
ENERGY UPGRADES

The terminal's passenger pickup area got a bit of a facelift with lighting that improves the function of the space. We replaced 210 fixtures at the passenger pickup level with new efficient light emitting diode (LED) technology. Since LEDs last up to five times longer than conventional bulbs, maintenance costs are reduced, the light quality is improved, and the savings of 235,000 kWh per year can support 16 Austin homes for one year.

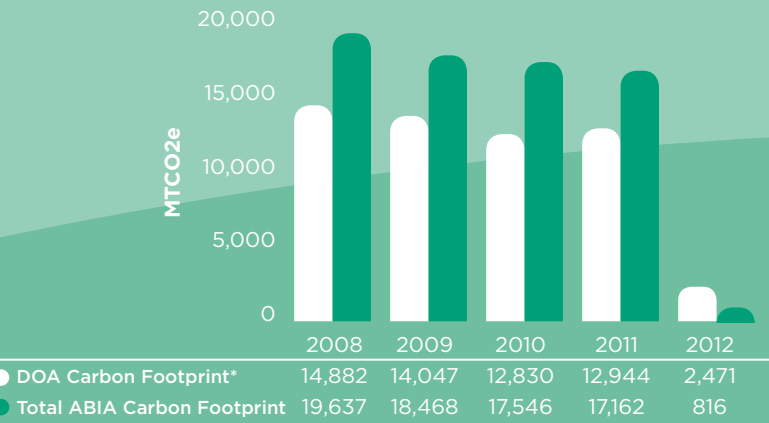


ALTERNATIVE FUEL

ABIA is transitioning to electric power for its ground service equipment, and has installed 20 fast-charging outlets. Our terminal only uses energy from renewable sources, and the electricity for charging airline vehicles is generated by west Texas wind turbines. Bottom line? A carbon neutral operation. In fact, the entire airport participates in Austin Energy's Green Choice program, which provides energy from alternative sources.

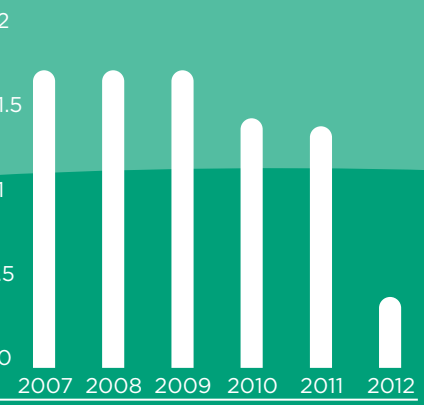


CARBON FOOTPRINT TRENDS

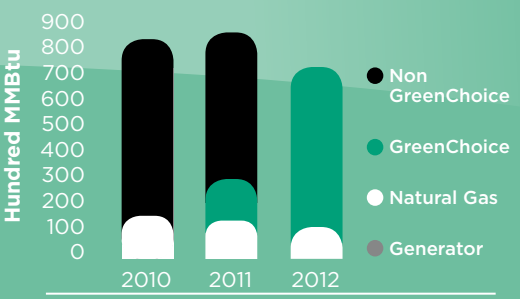


*DOA Carbon Footprint includes 60% of the ABIA terminal, the remainder is attributed to the terminal's tenants.

CO₂ EMISSIONS PER 1000 PASSENGERS



ENERGY USE



REDUCING OUR CARBON FOOTPRINT

During the various expansions and renovations throughout the Airport campus, we have concertedly preserved existing trees and planted new ones as well. The trees absorb CO₂, and help off-set the heat island effect, an area of higher temperatures from new paved surfaces.

ABIA preserved 18 heritage trees, 119 smaller trees, and planted 110 new trees this year. By centralizing the fueling, cleaning, storage and customer pickup into a single facility, the CONRAC facility will significantly increase efficiency. It eliminates the ferrying of cars between the service center and customer pickup, making for reductions in fuel consumption, traffic on airport roadways, and

vehicle exhaust. On the whole, carbon dioxide emissions will be reduced by 411.7 tons. ABIA is installing electric charging stations on the airfield. The stations will power luggage tugs and belt loaders operated by Delta, United, and Southwest Airlines. These 20 charging stations will reduce the airport's diesel and gasoline fuel use.

IMAGINEAUSTIN

Values & Respects People

Livable

Creative

Natural & Sustainable

Educated

Mobile & Interconnected

Prosperous

IMAGINE AUSTIN

Imagine an Austin created from thousands of ideas submitted by residents for the City's development over the next 30 years.

That's the Imagine Austin initiative, and it was adopted by the Austin City Council in 2012. ABIA is a proud partner in the goals of the initiative, whose priorities include improving transportation options, ensuring a long-term water supply and investing in labor, education, and entrepreneurs.



100% RENEWABLE ENERGY
used for electrical power to all airport buildings through Austin Energy's GreenChoice®, generated by wind turbines.



WATER CONSERVATION
12 million gallons of drinking water saved in 2013 by using reclaimed water.



THERMAL ENERGY STORAGE
Chilled water is stored during off peak times for cooling the airport during peak afternoon hours, reducing electricity usage by 50%.



SOLAR PANELS
at the airport produce 250,000 kilowatt hours per year.



ALTERNATIVE FUEL STATIONS
Austin-Bergstrom International Airport has used alternative fuel in its airport parking shuttles since it opened in 1999. The airport offers propane and natural gas (CNG) to the general public as well as its airport vehicles.



RAIN GARDENS
Collect and treat precipitation run-off from Spirit of Austin roadway by allowing it to soak into the ground, supporting native vegetation in the rain gardens.



ELECTRIC CHARGING STATIONS
20 fast electric charging points power aircraft support vehicles, reducing annual diesel/gasoline usage by an estimated 40,000 gallons.



RECYCLING
In 2013, 4,160,000 lbs of materials were kept out of the landfill through airport recycling efforts.



COMPOST
We composted 1,200,000 lbs of airport brush and landscape materials in 2013. This was transported to the local Dillo Dirt™ processing facility.



GREEN HILTON
The Hilton Austin Airport Hotel is one of only three Green Seal certified hotels in Texas, having been awarded the Silver Level Achievement for Environmental Operational Commitment.



LEED GOLD CERTIFICATION
for new taxi staging area and driver facility (GTSA LEED)



PERFORMANCE MEASURES: CUSTOMER AND COMMUNITY VALUE

EXTERNAL CUSTOMERS	UNIT	COMMENT	2010	2011	2012	2013
Overall customer satisfaction with the airport	Ratings	ASQ survey score / percent rating excellent (5's)	4.43/53%	4.38/49%	4.33/46%	4.28/43%
Cleanliness of the terminal	Ratings	ASQ survey score / percent rating excellent (5's)	4.53/61%	4.46/57%	4.44/54%	4.37/52%
Cleanliness of the restrooms	Ratings	ASQ survey score / percent rating excellent (5's)	4.32/48%	4.30/48%	4.26/46%	4.21/43%
Helpfulness of the staff	Ratings	ASQ survey score / percent rating excellent (5's)	4.40/54%	4.39/55%	4.32/49%	4.30/49%
Courtesy of security staff	Ratings	ASQ survey score / percent rating excellent (5's)	4.22/48%	4.17/47%	4.05/40%	4.06/40%
MBE/WBE purchases	New measures					
Under \$5000	Percent		XX	7.09%	5.48%	6.66%
Total purchases	Dollars		XX	\$148,557	\$129,623	\$159,722
Passenger flights	Number	Total number of flights	94,406	95,880	97,324	101,593
Direct flights	Number	Includes both domestic and international	75	95	84	121
Non-stop domestic destinations	Number		36	36	40	41
Average seats per flight	Number		120	121	121	121
Total annual seats	Number		11,253,270	11,553,540	11,764,648	12,319,953
Total passengers	Number		8,777,856	9,080,875	9,317,561	10,017,958
INTERNAL CUSTOMERS	UNIT	COMMENT	2010	2011	2012	2013
Total Dept. of Aviation FTE's			345	345	347	358
Injuries						
Lost time injury rate	Number	Per the equivalent of 100 employees	0.66	2.88	0.32	0.95
Injuries reportable	Number		61	51	58	53
Injuries with medical	Number		14	10	25	19
Injuries with no medical	Number		39	32	33	34
Sick hours utilized	Number	Per 1000 hours	29.10	28.47	25.84	25.24
Training hours per FTE	Number	Departmental Average	50.71	64	54	51
Employee satisfaction	Rating	Score from employee survey (changed survey type in 2011)	67	XX	19	32
Diversity	Dept. of Aviation employees only					
Male to Female	Percent		63% to 37%	64% to 36%	65% to 35%	66% to 34%
White	Percent		38%	39%	41%	42%
Hispanic	Percent		32%	31%	29%	29%
Black	Percent		24%	25%	25%	25%
Asian	Percent		5%	4%	4%	3%
Other	Percent		1%	1%	1%	1%
Employee turnover rate	Percent		8.57%	4.59%	7.60%	8.95%

PERFORMANCE MEASURES: OPERATIONAL EXCELLENCE

OPERATIONS	UNIT	COMMENT	2010	2011	2012	2013
Annual aircraft operations	Number	Total takeoffs and landings	164,436	169,963	159,269	174,245
FOD - Pounds removed from Apron	Number	Pounds of FOD removed by staff (new measure)	XX	XX	789	2724.6
Wildlife/Bird strikes	Number		121	95	111	108
Deficiencies noted during daily 139 inspections	Number		557	574	954	614
Deficiencies noted during 139 inspections	Number		2	1	3	0
AOA warnings issued	Number		0	0	2	0
Security responses with established time	Percent		100%	100%	100%	100%
Security violations issued	Number		45	71	41	48
Average wait times at security checkpoints	Minutes					
Morning	Minutes	Average week day, excluding holidays and special events	XX	17	18	18
Afternoon	Minutes	Average week day, excluding holidays and special events	XX	9	11	14
Number of ARFF responses	Number		676	628	683	782
Average time of repairs (from call to completion)	Number	New measure	XX	XX	17	38
EPAX per gate utilized	Number	Annual enplanements divided by number of gates used	189,787	180,986	186,510	197,159
Enplanements - Change over Prior Period	Percent	Growth or decline	3%	6%	3%	6%
Turns per gate - gate utilization	Number	Avg. number of departures per gate per day	5.36	5.91	5.5	5.7
Passenger boarding bridge	Annual Cost	Reduce maintenance cost 5%	\$198,833	137,013	\$377,714	\$391,390
Airfield lighting	Number	5% fixture failures on signage (number replaced)	345	212	612	547
People moving systems	Percent	Elevators 95% uptime (new measure)	XX	XX	94%	94%
BHS conveying system	Percent	Carousels and Conveyors 95% uptime (new measure)	XX	XX	95%	95%
PM Costs compared to total maintenance costs	Percent	Measures effectiveness of PM Program (new measure)	XX	XX	21%	50%
Ratio of productive hours to labor hours	Percent	Measures staff productivity (new measure)	XX	XX	41%	98%
PM's performed on fleet vehicles	Number	Number of PM's performed (new measure 2011)	XX	XX	300	155
Cost per parking space						
Cost per covered space	Dollars		\$753.38	\$727.65	\$730.68	\$828.51
Cost per space with busing operation	Dollars		\$561.01	\$625.74	\$515.46	\$529.90
Cost per space without busing or cover	Dollars		\$785.95	\$732.81	\$737.87	\$1,429.09

PERFORMANCE MEASURES: ECONOMIC SUSTAINABILITY

FINANCIAL	UNIT	COMMENT	2010	2011	2012	2013
Passenger airline cost per enplanement	Dollar		\$8.16	\$8.23	\$8.32	\$8.86
Expenses (cost) per enplaned passenger	Dollar	Airport's O&M cost per enplanement	\$14.27	\$13.96	\$14.34	\$13.60
Credit rating	Number		A-	A	A	A
Revenue per enplanement	Dollar		\$19.53	\$19.79	\$20.44	\$21.06
Total non-airline revenue	Dollar		\$46,662,884	\$47,760,334	\$50,432,342	\$59,078,609
Non-airline revenue per passenger	Dollar		\$5.27	\$5.29	\$5.41	\$5.99
Non-airline revenue to airline ratio	Percent		54%	53%	53%	57%
Parking revenue per passenger	Dollar		\$2.91	\$3.10	\$3.33	\$6.52
Concession revenue to airport	Dollar		\$7,845,107	\$7,164,395	\$7,794,464	\$8,559,586
Concession gross sales per square foot	Dollar		\$874.36	\$985.41	\$1,046.80	\$1,300.55
Security cost	Dollar		\$9,361,096	\$7,974,943	\$8,040,133	\$9,510,842
Security cost (percent of Total costs)	Percent		15%	12.63%	12.03%	14.18%
ARFF cost	Dollar	Change over previous period (Benchmark Index, D)	\$4,639,276	\$5,125,511	\$5,183,126	\$5,191,211
ARFF cost (percent of total)	Percent	Change over previous period (Benchmark Index, D)	8%	8.12%	7.75%	7.74%
ARFF cost per operation	Dollar	Change over previous period (Benchmark Index, D)	\$28.21	\$30.16	\$32.54	\$31.26
ARFF salary and benefits cost	Dollar		\$4,262,447	\$4,604,196	\$4,670,572	\$4,799,541
Personnel expenses	Dollar		\$26,025,904	\$27,465,037	\$28,689,620	\$27,032,670
Repair and maintenance cost	Dollar		\$19,116,889	\$1,781,613	\$2,116,316	\$2,997,046
Total operating revenue	Dollar		\$83,277,006	\$89,547,695	\$95,205,000	\$103,514,000
Total parking and ground transportation revenue	Dollar		\$25,686,288	\$28,415,684	\$31,372,981	\$32,157,713
Off airport	Dollar		\$966,582	\$1,187,990	\$1,298,692	\$1,403,806
On airport	Dollar		\$24,719,706	\$27,227,694	\$30,074,289	\$30,753,907
Total landed weight	Pounds		5,540,793	5,759,298	5,815,537	6,122,513

PERFORMANCE MEASURES: ENVIRONMENTAL STEWARDSHIP

ENVIRONMENTAL	UNIT	COMMENT	2010	2011	2012	2013
Terminal utilities		Terminal and central plant only				
Electric	kWh		21,269,226	23,269,215	22,715,146	22,278,056
Natural gas	CCF		143,062	104,067	99,776	137,272
Water	Gallons	Includes terminal irrigation	31,863,700	30,838,280	25,303,100	26,959,168
Waste water	Gallons		25,083,500	25,801,900	24,962,100	26,722,000
Campus utilities		Includes terminal and central plant				
Electric	kWh		28,702,372	30,248,907	30,653,904	29,264,294
Natural gas	CCF		188,972	151,076	144,421	187,202
Water	Gallons	2009 Malfunction from water feature caused increase	55,849,100	71,924,220	50,877,800	44,507,900
Reclaimed water	Gallons	New - Irrigation and central plant only	XX	1,955,600	11,818,400	11,531,000
Waste water	Gallons		27,762,600	31,552,800	37,164,700	31,649,232
Electricity provided by Green Choice	Percent	New - % of total electric provided by alternative sources	XX	26%	100%	100%
De-icing operations						
De-icing operations - aircraft	Gallons	Total diluted fluid used by airlines	14,146	18,849	4,305	9,243
Pavement de-icing - ground operations	Gallons	Total E-36 (gallons) applied by Dept. of Aviation	0	11,165	0	300
Pavement de-icing - ground operations	Pounds	Total NAAC (liquid) applied by Dept. of Aviation	500	5,115	0	0
Aircraft de-icing pond discharges to wastewater	Gallons	Discharged to City's wastewater system (diluted)	4,083,514	2,337,168	386,512	2,284,320
Aircraft de-icer treated at wastewater plant	Pounds		14,520	23,467	297	4,902
Waste management						
Terminal waste to landfill	Tons		1,746	1,949	2,004	2,053
Terminal recycling	Tons		184	184	256	309
Brush composting	Tons		235	226	144	600
Light bulb recycling	Pounds	Pounds of crushed lamps	1,450	574	458	1,032
Light bulb recycling	Number	Number of whole lamps	4,167	480	282	1,500
Alkaline and rechargeable batteries	Pounds		846	1,236	947	1,188
Electronic waste	Pounds		2,843	8,448	4,241	16,798
Hazardous materials recycled						
Vehicle batteries	Number		69	40	140	28
Tires	Number		811	161	301	325
Oils	Gallons		880	850	546	451
Vehicle fuel usage						
Gasoline	Gallons		40,514	40,814	35,510	35,405
Ethanol (E85)	Gallons		1,153	2,794	1,973	2,150
Biodiesel (B20)	Gallons		16,281	16,534	25,654	7,647
Diesel	Gallons		10,198	1,904	1,393	17,304
Propane	Gallons		244,071	237,424	103,233	49,332
CNG	Gallons		XX	4,216	96,933	141,529
Large construction project demolition recycling	Tons	New measure	22,646	1,727	1,759	18,845
Carbon footprint	Metric Tons		12,830	11,185	2,697	2,695
Carbon footprint reduction	Percent	Percent reduction year over year	9%	13%	76%	0%
Alternative fuel units						
Mowers	Number	Propane mowers	13	17	13	17
Off-road units	Number	Propane and electric units	20	6	17	38
On-road units	Number	Propane and electric units (Includes buses for parking)	54	60	50	36

ACKNOWLEDGEMENTS

Customers of Austin-Bergstrom International Airport

Austin City Council

Lee Leffingwell, *Mayor*
Sheryl Cole, *Mayor Pro Tem*
Chris Riley, *Council Member*
Mike Martinez, *Council Member*
Kathie Tovo, *Council Member*
Laura Morrison, *Council Member*
Bill Spelman, *Council Member*

City Management

Marc Ott, *City Manager*
Sue Edwards, *Assistant City Manager*

Austin Airport Advisory Commission

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Steven Hart, *Vice Chair*
D'Ann Johnson, *Secretary*
Ernest Saulmon
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James Kelsey
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Austin-Bergstrom
International Airport



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ATTACHMENT J
TERMINAL SQUARE FOOTAGE

Concourse Level	Space (SQ. FT)
Ticket counters	4,800
Ticket counter -- queing	11,689
Ticket lobby -- public	23,263
Airline ticket offices	11,988
Concessions	39,164
Restrooms	14,983
Vestibules	1,800
Preferential use holdrooms	70,463
International holdrooms	1,453
TSA offices	2,079
DoA Ofc space	380
Security Ckpt 1	5,675
Security Ckpt 2	5,675
Security Ckpt 3	5,030
FIS	1,387
Concourse circulation	64,840
Common outbound baggage conveyor	166
Common service areas	6,104
Cart racks	90
Exterior curbside check-in	0
Total Concourse level	271,029

ATTACHMENT J
TERMINAL SQUARE FOOTAGE

Baggage Level

Baggage Claim	Space (SQ. FT)
Claim lobby	20,761
Claim area	22,044
Claim device area	6,562
Baggage service office	2,517
Circulation	2,369
Rental car offices	1,884
Rental car counter	2,063
Rental car queing	2,895
Vestibules	2,299
Restrooms	3,648
Vending	495
Visitor's center/hotel board	184
	<hr/>
	67,721
Admin/Back of House	
Restrooms	1,565
DoA Ofc/Storage Space	8,992
Police	462
Common Service Areas	25,896
Concession Ofc space	868
Concession storage/ware washing	5,049
	<hr/>
	42,832
International Arrival	
Claim area	2,843
Inspection area	5,474
Circulation	857
Inbound baggage	965
Offices/other areas	3,181
Restrooms/lockers	589
Common service areas	1,376
	<hr/>
	15,285
Total Baggage Level	125,838

ATTACHMENT J
TERMINAL SQUARE FOOTAGE

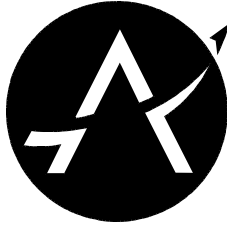
Apron Level	Space (SQ. FT)
Outbound bag make-up areas	31,344
Apron offices	31,641
Future airline apron offices/storage apron	5,907
Airline apron restrooms	2,025
Circulation	2,819
Commuter pref. holdrooms	2,728
Commuter circulation/service areas	906
Commuter restrooms	476
Commuter apron offices	525
Service roadway/other	76,199
FIS circulation/mechanical	5,447
FIS restrooms	1,365
FIS offices	1,427
TSA ofcs	633
EDS	18,520
Interstitial space	18,094
Facilities services storage/ops	1,286
Common service areas	7,723
Storage Apron	11,549
Total Apron Level	220,614

Mezzanine Level	Space (SQ. FT)
Airline offices/lounges	12,190
Airport Administration	14,760
Concessions	1,291
TSA/RAM Ofcs	5,505
Circulation	2,002
Common service areas	7,206
Mechanical rooms	12,097
Restrooms (airlines/admin)	684
Unassigned	0
Total Mezzanine Level	55,735

Penthouse Level	Space (SQ. FT)
Rooftop mechanical rooms/storage	7,382

Total Terminal Square Footage	680,598
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ATTACHMENT K



CITY OF AUSTIN DEPARTMENT OF AVIATION MINIMUM STANDARDS AND REQUIREMENTS FOR COMMERCIAL AERONAUTICAL SERVICE PROVIDERS AT AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

I. DEFINITIONS

- A. **Airport** means Austin-Bergstrom International Airport.
- B. **City** means the City of Austin, a Texas home-rule municipal corporation.
- C. **Commercial Aeronautical Service** means a service which involves, makes possible, or is required for the operation of aircraft, or which contributes to, or is required for the safe conduct and utility of such aircraft operations, and includes those services provided by either a Fixed Base Operator or a Specialized Aviation Service Operator.
- D. **Director** means the Executive Director of the City of Austin Department of Aviation, or authorized designee.
- E. **FAA** means the Federal Aviation Administration of the United States Department of Transportation (USDOT).
- F. **Fixed Base Operator or FBO** means a Person maintaining facilities at the Airport for the purpose of: (1) engaging in the retail sale of aviation fuels; (2) performing other aircraft line services; and (3) providing aircraft airframe and engine repair and maintenance services. Section VI of these Minimum Standards specifies the minimum services which FBOs must provide. In addition to those required services, an FBO may provide any of the services of an SASO.
- G. **Improvements** includes, without limitation, means any buildings, hangars, paved areas such as parking lots, ramp, or apron, or other improvements constructed or installed by an Operator on its Premises.
- H. **Operator** means either a Fixed Base Operator, or a Specialized Aviation Service Operator, or both, as the context indicates.

I. **Person** means a natural person, corporation, partnership, trust, association, political subdivision, agency of the State, or other legal entity, but does not include the City.

J. **Premises** means a defined area on the Airport which the City has either leased to an Operator, or has granted an Operator the preferential right to use, by lease or other written agreement to provide its Commercial Aeronautical Services.

K. **Specialized Aviation Service Operator or SASO** is a Person maintaining facilities at the Airport for the purpose of providing one or more of the following services: (1) specialized aircraft repair services (radios, painting, upholstery, propellers, instruments, accessories, etc.); (2) aircraft airframe and powerplant maintenance and repair; (3) flight training; (4) aircraft sales; (5) aircraft rental; and/or (6) aircraft charter and air taxi service. Aircraft fueling may not be performed as a Specialized Aviation Service; only those Operators that provide each of the Minimum Services required in Section VI will be authorized to perform aircraft fueling. Section VII of these Minimum Standards sets out additional specific standards for SASOs.

II. **APPLICABILITY**

The City, acting by and through its Department of Aviation, owns and operates the Airport. To encourage growth and development of the Airport and to facilitate the development of adequate aeronautical services and facilities for Airport users, the City has established these standards and requirements (the "Minimum Standards") for provision of certain commercial aeronautical services at the Airport. These Minimum Standards may be amended by the City as conditions require, or to establish Minimum Standards for additional aeronautical services, in accordance with City Code Chapter 1-2.

Pursuant to Section 17-2-21 of the Austin City Code, no Person may conduct or operate a business at the Airport except as authorized by the Director. These Minimum Standards establish the criteria by which the Director shall consider requests from prospective Commercial Aeronautical Service providers to do business at the Airport. These Minimum Standards shall apply to all Fixed Base Operators Lease and Operating Agreements ("Lease") and Commercial Operating Permits ("Permit") granted or renewed after the effective date of these rules. The provisions of the Lease or Permit will be compatible with the Minimum Standards herein contained and will not change or modify the Minimum Standards themselves. To the extent consistent with the terms of the Lease or Permit, these rules shall apply to all currently existing Leases and Permits.

The Minimum Standards do not apply to the City itself, to certified air carriers operating from the Airport, or to persons operating aircraft on the Airport who perform services on their own aircraft with their own regular employees and equipment in accordance with applicable Airport rules and regulations and applicable contract, permit, or lease provisions. These Minimum Standards are not intended to be all-inclusive; the Operator will be subject additionally to applicable federal, state and local laws, codes, ordinances and other similar laws or regulations including Airport Rules and Regulations pertaining to all such services.

III. **STATEMENT OF POLICY**

In establishing these Minimum Standards, the City's goal is to assure an adequate minimum level of quality of service to General Aviation users, to foster competition at the Airport, and to avoid unfair or

prohibited discrimination among similar Commercial Aeronautical Service providers. The minimum standards shall be applied objectively and uniformly.

The standards and requirements in this policy are minimums. All Operators will be encouraged to exceed the minimum.

Contingent upon its qualifications, its meeting the Minimum Standards, the approval of the prospective Operator's application by the Director, the execution of a Lease or Permit, and the payment of the applicable rentals, fees and charges, the Operator shall have the right and privilege of providing the Commercial Aeronautical Service(s) for which it made application on the Airport, as specified in its Lease or Permit. The Operator may not provide any Commercial Aeronautical Service other than that authorized in its Lease or Permit.

The granting of such right and privilege, however, shall not be construed in any manner as affording the Operator any exclusive right of use of the premises and facilities and the Airport, other than those premises which may be leased exclusively to it, and then only to the extent provided in a written agreement. The City reserves and retains the right for use of the Airport by others who may desire to use the same, pursuant to applicable federal, state and local laws, ordinances, codes, minimum standards and other regulatory measures pertaining to such use. The City further reserves the right to designate the specific Airport areas in which the specific aeronautical services may be conducted, and to relocate existing Operators to another location on the Airport. Such designation shall give consideration to the nature and extent of the operation and the land and improvements available for such purpose, consistent with the orderly and safe operation of the Airport.

If the City determines there are more qualified applicants seeking to provide a particular Commercial Aeronautical Service than there is space or demand at the airport for such service, the City may select the Commercial Aeronautical Service provider through a competitive solicitation or request for proposals.

These Minimum Standards are subordinate and subject to the provisions of any agreement between the City and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been, or may in the future be, required as a condition precedent to the transfer of federal rights or property to the City for Airport purposes, or the expenditure of federal funds for the development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as amended. The issuance of a Final Agency Order finding a provision of these Minimum Standards inconsistent with such agreement shall operate to invalidate such provision. The invalidity or unenforceability of any provision of these Minimum Standards shall not affect validity or enforceability of any other provision of these Minimum Standards, and the remainder shall be construed and enforced as if the invalid or unenforceable provision were never included in the Minimum Standards.

IV. APPLICATION REQUIREMENTS

A. **Application.** To operate a Commercial Aeronautical Service at the Airport, a Person shall submit a written application to the Director, which shall include the following information and, thereafter, shall provide such additional information as may be requested by the Director.

1) Intended Scope of Services. The prospective Operator must submit a detailed description of the scope of the proposed operation, and the means and methods to be employed to accomplish the contemplated operation, including, at a minimum, the following:

- a) The name, address and telephone number of the applicant. If the applicant is a corporation, include the name, address, and telephone number of the corporation's officers and directors. If the applicant is a partnership, provide the name, address, and telephone number of all general partners. Also provide the name, address, and telephone number of any Person that holds a controlling interest, directly or indirectly, in the applicant. Applicant must disclose if any officer, director, partner, or Person having a controlling interest in applicant is also an officer, director, partner, or a Person holding a controlling interest in another Commercial Aeronautical Service provider at the Airport.
- b) The requested or proposed date for commencement of the service and the term of conducting the same.
- c) The services to be offered.
- d) The amount, size and location of land required.
- e) The size, type, and location of the building(s) to be constructed or leased.
- f) The number and type of aircraft to be parked, serviced, or provided (as applicable).
- g) The number of persons to be employed (including the names, titles and qualifications of key employees).
- h) The hours of proposed operation.
- i) A list of material assets, goods and equipment necessary or required to perform the proposed services that owned, leased, or under purchase contract by the applicant. Copies of such leases and contracts shall be provided to the Director upon request.
- j) Copies of all licenses, certifications and permits possessed by the applicant, or its key employees to be based at the Airport, that are necessary or required to perform the proposed services.
- k) Such other or additional information as may be required under Sections VI and VII of these Minimum Standards, or that the Director may reasonably require to evaluate the application.

2) Financial and Managerial Responsibility and Capability. The prospective Operator must provide a statement, satisfactory to the City, in evidence of its financial responsibility, from a recognized financial institution or from such other source that may be acceptable to the City and readily verified through normal banking channels, together with copies of audited

financial statements, SEC Form 10-K's, and annual reports for the prospective Operator for the previous three years. The prospective Operator must also demonstrate financial capability to initiate operations, to construct proposed improvements, and to provide working capital to carry on the contemplated operations. The demonstration of financial and managerial capability shall include a cash flow and a profit and loss projection for the first five years of the proposed operation.

3) Experience. The prospective Operator shall furnish the City with a statement of its qualifications and past experience in providing the proposed aviation services, together with a statement that it or its principals have the managerial ability to perform the selected services. The prospective Operator shall meet the applicable minimum experience qualification requirements under Sections VI or VII. The prospective Operator shall include resumes of its key employees engaged in the management and operation of the proposed aeronautical services at the Airport.

B. Annual Reporting Requirement and Notification of Changes. Operators shall report annually, by the anniversary date of the Effective Date of their Lease or Permit, that information listed above, and shall provide the Director with three weeks advance notice of its intention to start up or discontinue an authorized commercial aeronautical service. In addition, all Operators must file updated FAA certificates and ratings (their own and their employees') annually when received, and must file within two weeks of receipt any changes in their own and their employees' FAA certificates or ratings.

C. Grounds for Denial of an Application. The Director shall consider the application once the prospective Operator has submitted a complete application. The Director shall not unreasonably deny or delay consideration of an application. A delay to implement a competitive process to select an Operator is not unreasonable. Grounds for denial of an application include the following:

- 1) The applicant does not, for any reason, fully meet the qualifications, standards and requirements established in these Minimum Standards.
- 2) The applicant's proposed operation or construction would create a safety hazard on the Airport.
- 3) The granting of the application will require the Airport to expend funds, or supply labor or materials, in connection with the proposed activity or operation that the Airport is unwilling to spend or supply, or the proposed activity or operation will result in a financial loss to the Airport.
- 4) No appropriate, adequate, or available land, space, or building exists at the Airport to accommodate the entire operation of the applicant at the time of application, and none is contemplated to be available within a reasonable time thereafter.
- 5) The proposed operation, development, or construction does not comply with the FAA approved Airport Master Plan or Airport Layout Plan.

- 6) The proposed operation, development or construction will result in congestion of aircraft or buildings, or will result in undue interference with the operations of any present Operator at the Airport, or with adequate access to a present Operator's leased premises.
- 7) The applicant has intentionally or unintentionally misrepresented or omitted any material fact in the application or supporting documents, or has failed to make full disclosure in the application or supporting documents.
- 8) The applicant, or any officer, director, key employee, or Person having a controlling interest in the applicant, has a record of (a) violating the laws, rules and regulations applicable to the Airport or any other airport, including but not limited, to civil air regulations and FAA regulations, (b) having defaulted in the performance of a lease, license, permit, or similar agreement at the Airport or any other airport, or (c) having been convicted of any felony or misdemeanor involving moral turpitude.
- 9) The applicant, in the opinion of the Director, has not provided verified evidence of adequate financial responsibility or does not exhibit the experience to undertake the proposed operation or activity based on the information provided with the application.
- 10) The applicant cannot provide the required performance and other bonds, security deposits, or other acceptable surety in the amount required by the Airport for the proposed operation, activity or construction.

V. REQUIREMENTS APPLICABLE TO ALL OPERATORS

The following standards apply to all FBOs and SASOs, unless otherwise explicitly provided. Additional standards specific to each type of operation can be found in Sections VI and VII of these Minimum Standards.

A. Requirement of a Written Agreement

- 1) Before beginning operations, the prospective Operator must enter into a written Lease or Permit with the City reciting the terms and conditions under which it will do business on the Airport, including but not limited to, the term of agreement, the rentals, fees, and charges, the rights, privileges and obligations of the respective parties, and other relevant provisions. Such agreement shall be consistent with these Minimum Standards.
- 2) Such Lease or Permit shall contain, or adopt by reference, all provisions required by the applicable law, including, without limitation, regulations promulgated by the FAA, and assurances or agreements entered into by the City as a condition of any Federal Grant to the City for the Airport. The Lease or Permit shall be subordinate to any existing or future Federal grant assurances.
- 3) If an Operator desires to sublease space to another Operator, the Operator must obtain the written approval from the Director to sublease the space, and if applicable, subcontract the function. The sublessee must apply for and obtain a Permit to operate at the Airport, and must satisfy the applicable Minimum Standards to provide sublessee's proposed Commercial Aeronautical Service.

4) The Lease or Permit shall provide that, at or before execution, the Operator shall deliver to the Director a security deposit in an amount not less than three months' fees and charges owed to the City under such agreement. The security deposit shall be in the form of cash or an irrevocable letter of credit drawn on a City-approved bank, and shall be held by City as security for the Operator's performance of its obligations under the Lease or Permit, including, but not limited to, payment of fees and charges or other amounts due the City under the Lease or Permit. The security deposit shall not be considered an advance payment of such fees and charges, or a measure of damages in the event of default by the Operator. If the City uses the security deposit, in whole or in part, the Operator shall promptly restore the security deposit to its original amount upon request of City. Provided that the Operator is not in default, the security deposit, or any unused balance thereof, shall be returned to Operator within thirty (30) days following termination of the Lease or Permit.

B. Site Development Standards

1) Location. FBOs and SASOs may be situated only in those areas of the Airport specified for such use in the Airport Layout Plan (ALP) and the Airport Master Plan.

2) Space Requirements. The minimum space requirements as provided in Sections VI and VII of these Minimum Standards shall be satisfied. The City will consider reduction in minimum space requirements for combined operations in a common location (e.g., an SASO that wishes to operate a flight training school and aircraft rental facility need have only one office, one set of restrooms, one customer lounge, etc.). An applicant who proposes combined operations in a common location shall provide a building layout or similar plan that demonstrates functional compliance with the applicable Minimum Standards.

3) Airport Design Criteria. All construction of Improvements and infrastructure must conform to the ABIA Design and Development Guide and conform to and comply with the approved plans and specifications submitted by Operator and approved by the City and the Director, the applicable statutes, ordinances, building codes, rules and regulations of City and the FAA and such other authorities as may have jurisdiction over the Airport, the Premises or Operator's operations herein. The height of any structure on the Premises must be within the limits of the FAA regulations governing objects affecting airspace, as set forth in 14 C.F.R., Part 77 and the City's Airport Height Hazard and Compatible Use Zoning Ordinances. Any structure that violates these requirements shall be subject to removal or remediation at the Operator's expense. The Director will have the right to review all plans and specifications for any Improvements to be constructed on the Premises to determine compliance with such regulations. The approval by the Director shall not constitute a representation or warranty as to such conformity or compliance, but responsibility therefor shall at all times remain with the Operator.

4) Design/Construction Review. Operator shall not construct, install, remove, or modify any Improvements on the Premises without the prior written approval of the Director, or his designated representative, of Operator's plans and specifications for the proposed project. All plans shall be complete and submitted in accordance with the ABIA Design and Development Guide, and the applicable provisions of the Lease or Permit.

5) Bonds and Insurance. Operator shall provide or cause to be provided to the City prior to the commencement of any construction of any Improvements, a valid performance bond and payment bond, each in the amount of the maximum estimated hard construction costs, for the successful construction of its Improvements. Said bonds shall be maintained and kept in full force and effect until work items called for in the Operator's agreement with the City are complete. The bonds shall be conditioned to ensure performance and payment by the Operator and its construction contractor of all Improvements required and proposed by the Operator, and to stand as security for the successful completion of the built Improvements on the Premises and for payment of any valid claim by the City against the Operator or its Contractor associated with the construction of the improvements. The bonds shall be in a form acceptable to the City and shall be issued by a surety that complies with the requirements of the Texas Insurance Code, as amended. If Operator engages any contractors and/or subcontractors to construct Improvements on the Premises, the contractors and subcontractors must carry appropriate builders risk and commercial general liability policies as is required at that time by the City Risk Manager for construction projects on City property.

6) Other Facilities. The Operator shall provide a paved walkway within the leased area to accommodate pedestrian access to the Operator's office; a paved aircraft apron with tie-down facilities within the leased area sufficient to accommodate its services and operations, and telephone facilities.

6) Landscaping. Landscaping of facilities is required. Each FBO or SASO will be required to provide a plan for landscaping its area to be approved by the City and maintained by the FBO or SASO in a neat, clean and aesthetically pleasing manner, all in accordance with the ABIA Design and Development Guide.

7) Right of Relocation. The City shall have the right to relocate Operator's Premises when necessary to accommodate the Airport development. The need for such relocation shall be solely determined by the Director. If relocation becomes necessary, the City shall provide the Operator with a replacement area substantially equivalent in size and amenities. Should Operator disagree with the replacement location, Operator shall have the right, within ten (10) calendar days of receipt of the Director's written notice of impending relocation, to provide written notice to the Director that Operator disagrees with the replacement location. Upon such notice by Operator, the parties shall, for a period not to exceed thirty (30) days from the date of such notice, negotiate in good faith in an attempt to resolve the matter to the satisfaction of both parties; however if for any reason the disagreement is not resolved with thirty (30) days, the Director shall have the right to unilaterally decide the matter, and Operator agrees to and shall abide by the Director's decision, subject to such rights of termination as Operator may have under its Lease or Permit. If the City requires the Operator to relocate its facilities during the term of this Agreement, the City shall will reimburse the Operator for its documented actual and reasonable out-of-pocket relocation expenses, if any, but the City shall have no liability for increased overhead or operating costs, or lost profits or revenue of Operator, if any, arising out such relocation.

8) Ownership of Improvements. All right, title, and interest in any Improvements constructed by or for an Operator on the Airport shall fully vest in the City upon the end of the

term of the Operator's Permit or Lease. The Operator shall execute and deliver to the City such documents as may be required to evidence the City's ownership of such Improvements.

C. **Maintenance Responsibilities.** Operator shall, at its sole cost and expense, maintain, repair and keep in good condition all of its Improvements on the Premises, as hereinafter described:

- 1) Operator shall maintain pavement, landscaping, greenbelts, lighting and all equipment on the Premises.
- 2) Operator shall maintain the interior and exterior of all Improvements, to include electrical, mechanical, plumbing, fire protection system(s), roof, floors, load-bearing and exterior walls, utilities, and HVAC system(s).
- 3) Operator shall clean debris and trash from driveway, taxiways, aprons, greenbelts and sidewalks to maintain safe, clear, unobstructed access to the Improvements at all times for authorized users and emergency vehicles.
- 4) Operator shall maintain all hangar and overhead doors and door operating systems, including weather stripping and glass replacement.
- 5) Operator shall maintain electric loads within the designed capacity of the system. Any change to such designed capacity will require the prior written consent of the Director.
- 6) Operator shall install and maintain hand-held fire extinguishers in the interior of all buildings, aircraft shops, aircraft parking and tie-down areas, and fuel storage areas, pursuant to fire and safety codes.
- 7) Operator shall have the necessary utility meters installed, as required by the utility company(s), at Operator's expense. Operator shall pay all utility charges, including, but not limited to, electricity, water, wastewater, natural gas, and telephone. Operator shall maintain and repair all utility service lines and fixtures, including lighting fixtures, within the Premises to the extent utility company providing such utility service does not perform such maintenance or repair.
- 9) Operator shall provide, at its sole cost and expense, necessary arrangements for adequate sanitation, handling and disposal from the Airport of all trash, garbage and other refuse which results from Operator's business operations, including receptacles for the deposit of such trash, garbage and other refuse.
- 10) Operator will not permit any action on the Premises that has an adverse effect, or interferes with the proper function of any drainage system, sanitary sewer system, or any facility provided for the operation or protection of Airport.
- 12) The Operator shall install fire alarm devices within the Premises and such devices shall be connected to the Airport Police and/or Fire Operation Center.

D. **Personnel.** The Operator shall employ a fully qualified, competent, experienced full-time on-site manager who shall supervise and direct the performance of all Commercial Aeronautical

Services provided by the Operator, and one or more qualified assistant managers to act for the manager in his or her absence. During all operating hours, the Operator shall employ and have on duty trained personnel in such numbers and with such certificates and ratings as are required to meet the Minimum Standards, in an efficient manner, for all Commercial Aeronautical Services being provided by the Operator. Operator's employees shall, at all times, be neat and courteous, and shall wear an identification badge that displays the employee's name and the name of the Operator. Operator's employees may not use or possess alcohol, illegal drugs, controlled substances, or firearms at the Airport. Operator shall closely monitor its employees to insure consistent, high quality service. If permitted by law, the Director may direct Operator to remove from employment at the Airport any employee who violates Airport rules and regulations, or the terms of Operator's Lease or Permit.

E. Security.

- 1) Operator, its employees, agents, customers, and contractors, shall comply fully with the Airport Security Plan.
- 2) If the Premises are located in a restricted area accessible only to those persons displaying a security badge issued by Airport Police, each person working on the Premises must wear the badge at all times while at the Airport. The cost of each badge will be paid for by Operator.
- 3) To control access to the air operations area ("AOA"), Operator will provide written notice to the Director of the names, addresses, telephone number(s), and contact persons for each contractor employed by Operator that will require access to the AOA for the benefit of Operator within five (5) days after the execution of the contract with such person.
- 4) Operator shall control the Premises so as to prevent unauthorized access to the AOA. Operator shall strictly comply with FAR Part 107 (Aviation Security), and Operator's security system must comply with the Airport's security consultant's specifications. The City reserves the right to install security devices in or on the Premises as it deems necessary at City's cost. The City will maintain security equipment located on the Operator's premises which is associated with FAR 107 or which the City may elect to install at some future date.
- 5) The Operator shall provide power wiring and security data conduits as specified by the Director to operate security devices (gates, access controls & cameras) which are a part of the AOA. A total of three (3) two-inch conduits are required; one for power, one for data and one spare. The Operator shall supply 120/208 three phase power from an electrical panel, with circuit breaker protection. The Operator shall allow the City to connect AOA security data cables to the Airport cable system (PDS) within the building's telecommunications closet. Energy to operate AOA security equipment on the Operator's premises shall be furnished by the Operator without cost to the City.

F. Indemnification. Operator shall defend, indemnify and hold harmless the City and its employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties"), from and against all costs, expenses (including reasonable attorneys' fees, expenses of investigation and litigation, and court costs), liabilities, damages, claims, suits, judgments, actions, and causes of actions whatsoever (collectively, "Claims") resulting from or concerning the conduct of Operator's

Commercial Aeronautical Service at the airport, to the extent arising directly or indirectly out of (a) any failure of the Operator to comply with these Minimum Standards, (b) any breach of the Lease or Permit by Operator, its agents, employees or contractors, (c) any false representation or warranty made by Operator in making application to conduct business on the Airport or in the Lease or Permit, (d) any negligent act or omission or willful misconduct of Operator, or its their agents, employees or contractors, and (e) the negligent acts and omissions of the Indemnified Parties. Operator shall assume on behalf of the Indemnified Parties and conduct with due diligence and in good faith the defense of all claims against any of the Indemnified Parties. Operator may contest the validity of any claims, in the name of Operator or the Indemnified Parties, as Operator may in good faith deem appropriate, provided that the expenses thereof shall be paid by Operator.

G. **Insurance.** The following requirements pertain to all Operators. See Sections Two or Three for specific insurance requirements applicable to the specific FBOs and SASOs on the Airport.

1) General Requirements. Operator shall not commence operations or construction until Operator has obtained the types and amounts of required insurance indicated below and until such insurance has been reviewed by the City or a Certificate of Insurance is received indicating required coverage. If the coverage period ends during the Term of Operator's Lease or Permit, Operator must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of the Term of the Lease or Permit. Operator must submit certificates of insurance for all subcontractors to the City prior to them commencing work on the project.

a) Approval of insurance by the City and the required minimums shall not relieve or decrease the liability or responsibility of the Operator hereunder and shall not be construed to be a limitation of liability on the part of the Operator.

b) Operator's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of B+VII or better. Hazardous materials insurance, if required, shall be written by companies with A.M. Best ratings of A- or better. The City shall accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.

c) All endorsements naming the CITY as additional insureds, waivers of subrogation, and notices of cancellation endorsements as well as Certificates of Insurance shall indicate:

City of Austin
Department of Aviation
3600 Presidential Blvd., Suite 411
Austin, Texas 78719
Attn.: Director of Finance and Administration

d) The "other" insurance clause shall not apply to the City where the City of Austin is an additional insured shown on any policy. It is intended that policies

required in this Agreement covering the City and the Operator, shall be considered primary coverage as applicable.

e) If insurance policies are not written for amounts specified above, the Operator shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

f) The City shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

g) The City reserves the right to review insurance requirements set forth during the Term of this Agreement and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Operator.

h) The Operator shall not cause any insurance to be canceled nor permit any insurance to lapse during the Term of this Agreement or as required in the Agreement.

i) Operator shall provide all deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificates of Insurance.

j) If City property is being transported or stored off-site by Operator, then the appropriate property policy will be endorsed for transit and storage in an amount sufficient to protect City property.

k) Insurance provided by an Operator pursuant to this Minimum Standards shall cover and protect the City, and its elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns, as their interests may appear.

2) Specific Insurance Requirements. The Operator shall obtain, and maintain throughout the term of its Lease or Permit, the following insurance coverages, and furnish certificates of insurance and policy endorsements as evidence thereof:

a) Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Section 401.) and minimum policy limits for employers liability of \$1,000,000 bodily injury each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:

- i) A Waiver of Subrogation in favor of the City of Austin;
 - ii) A thirty (30) day Notice of Cancellation/Material Change in favor of the City;
- b) Property insurance coverage on an “All Risk of Physical Loss” form for 100% of the value of all improvements leased from the City, or constructed by or for Operator on the Airport. Coverage shall include but not be limited to fire, wind, hail, theft, vandalism and malicious mischief. The coverage shall be written on a replacement cost basis. The proceeds from such insurance shall be used to restore the improvements to their original condition in the event of a covered loss.
- c) Liability insurance in the specific types and amounts specified in Sections VI or VII, as applicable for the proposed Commercial Aeronautical Service.. Where more than one Commercial Aeronautical Service is proposed, the minimum limits will vary (depending upon the nature of individual services in such combination) but will not necessarily be cumulative in all instances. Because of these variables, the applicable minimum insurance coverage on combinations of services will be finalized with the prospective Operator at the time of its application or otherwise during lease negotiations.

G. Environmental Compliance.

1) Definitions. In this Section:

- a) “Environmental Laws” - shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, that are intended for the protection of the environment, or that govern, control, restrict, or regulate the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws, specifically include but are not limited to, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Substances Act, the Toxic Substances Control Act, the Clean Water Act, the Superfund Authorization and Recovery Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Texas Hazardous Substances Act, and the Texas Water Quality Control Act.
- b) “Hazardous Materials” - shall refer to, and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible regulatory agency as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides.

c) “Environmental Claims” – shall refer to, and include, without limitation, all claims, demands, suits, actions, judgments, and liability for: (i) removal, remediation, assessment, transportation, testing and disposal of Hazardous Materials as directed by any government agency, court order, or Environmental Law; (ii) bodily injury, or death; (iii) damage to or loss of use of property of any person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, taxes, demands orders, directives or any other requirements imposed in any manner by any governmental agency under Environmental Laws; and (vi) costs and expenses of cleanup, remediation, assessment testing, investigation, transportation and disposal of a Hazardous Material spill, release, or discharge.

d) “City” – shall include the City’s elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns.

e) “Operator” - shall include the Operator’s directors, officers, agents, employees, contractors, customers, invitees, successors, and assigns.

2) Compliance. In its operations at the Airport, Operator shall strictly comply with all applicable Environmental Laws, the Airport Environmental Policies and Procedures (including without limitation, the Storm Water Pollution Prevention Plan (“SWPPP”) and Spill Response Plan), and generally accepted industry environmental practices and standards. Without limiting the generality of the foregoing provision, Operator shall not use or store Hazardous Materials on or at the Airport except as reasonably necessary in the ordinary course of Operator’s permitted activities at the Airport, and then only if such Hazardous Materials are properly labeled and contained, and notice of and a copy of the current material safety data sheet is provided to the Director for each such Hazardous Material. Prior to commencing operations at the Airport, Operator will complete an Airport baseline environmental questionnaire. Operator shall not discharge, release, or dispose of any Hazardous Materials on the Airport or surrounding air, lands or waters. Operator shall promptly notify the City of any Hazardous Material spills, releases, or other discharges by Operator at the Airport and promptly abate, remediate, and remove any the same. Operator shall provide the City with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental laws by Operator at the Airport within ten (10) days after such documents are generated by or received by Operator. If Operator uses, handles, treats or stores Hazardous Materials at the Airport, Operator shall have a contract in place with an EPA or TNRCC approved waste transport or disposal company, and shall identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport and disposal. Complete records of all disposal manifests, receipts and other documentation shall be retained by the Operator and made available to City for review upon request. Landlord shall have the right at any time to enter the Premises to inspect, take samples for testing, and otherwise investigate the Premises for the presence of Hazardous Materials.

3) Responsibility. Operator’s Hazardous Materials shall be the responsibility of Operator. Operator shall be liable for and responsible to pay all Environmental Claims that arise out of or are caused in whole or in part from Operator’s use, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Materials on or at the Airport,

the violation of any Environmental Law by Operator, or the failure of Operator to comply with the terms, conditions and covenants of this article. If the City incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Operator's use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials on the Airport, Operator shall promptly reimburse the City for such costs upon demand. All reporting requirements under Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Operator at the Airport under any law are the responsibility of Operator.

H. **Certifications.** The Operator shall obtain and maintain in full force and effect all FAA and other certificates and licenses necessary for the work being performed at the Airport, and shall provide a copy of such certificates to the Director upon request.

I. **Motor Vehicles on Airport.** The Operator shall control the on-Airport transportation of pilots and passengers of transient general aviation aircraft using the Operator's facilities and services. Customer motor vehicles are not permitted on the Air Operations Area (AOA). The Operator-owned or operated motor vehicles driven on the AOA shall do so only in strict accordance with Airport Rules and Regulations, applicable federal, state and municipal laws, ordinances, codes or other similar regulatory measures now in existence or as may be hereafter modified or amended. The Operator shall be required to equip each of these motor vehicles with a functioning aeronautical utility mobile station two-way radio (operating at 118.2 MHZ and 121.8 MHZ or as designated by the Director) and with an operating rotating beacon or FAA approved flag, or such other equipment as FAA or the City shall require. The Airport may impose training and licensing requirements and charge a fee for AOA driving privileges.

J. **Waiver.** The Director may (but in no event shall be obligated to) waive one or more of the Minimum Standards applicable to an Operator for good cause shown upon written request of the Operator, provided that such waiver would not adversely affect public health or safety, the quality of service provided by the Operator to the public, or Airport finances or operations, or would violate any Federal, State, City or other law, statute, ordinance, rule, regulation, or Airport grant assurance.

VI. REQUIREMENTS APPLICABLE TO FIXED BASE OPERATORS

The following standards apply to Fixed Base Operators.

A. Services.

1) Minimum Services. Each Fixed Based Operator shall provide the following minimum services:

a) **Aircraft Fueling Services.** Each FBO shall provide into-aircraft retail delivery of a recognized brand of aviation fuel (including, but not limited to, AV gas and jet fuel), motor oil, and lubricants as required by the types of aircraft normally utilizing the Airport. The Operator shall provide proper fuel dispensing equipment to service aircraft, including mobile fuel dispensing trucks to service commercial passenger and cargo aircraft operating at the Airport. Separate dispensing pumps for each grade of fuel are required. Fuel may only be stored in above ground tanks. Underground fuel tanks are not permitted on the Airport. All fuel handling and storage facilities,

equipment and procedures shall strictly comply with all applicable Federal, State, City and local laws, rules and regulations, including without limitation, the most current rules and regulations promulgated by the USDOT and FAA. Fueling personnel shall be properly trained and qualified to perform their assigned duties. The Operator shall ensure that only clean fuel, free of water or other contaminants, is delivered into the aircraft serviced. The Operator shall maintain current fuel reports on file and available for review at anytime by the Director. Fueling service by the FBO shall be in full compliance with all applicable federal, state and local safety laws and regulations, including proper fire protection and electrical grounding of aircraft during fueling operations. All FBO fueling services and systems shall be subject to inspection for fire and other hazards by the Director or other Airport representative and by the appropriate State and City fire officials. The FBO shall maintain a spill prevention and control plan in accordance with applicable Federal, State, City, and Airport laws, rules and regulations.

b) Aircraft Line Services. Each FBO shall provide:

- i) Suitable hard surface aircraft parking, tie-down, and hangar storage facilities; adequate tie-down facilities and equipment, including ropes, chains and other types of restraining devices, and wheel chocks for the typical number and type of aircraft simultaneously using the FBO during a peak period; and adequate loading, unloading and towing equipment to safely and efficiently move aircraft and store them in times of all reasonably expected weather conditions.
- ii) Adequate ground equipment, including but not limited to, ground power and starting equipment, fire extinguishers, oxygen carts, portable compressed air, towing equipment, disabled recovery equipment, washing and cleaning facilities, and such other equipment, supplies and spare parts as may be reasonably required to service all general aviation aircraft at the Airport in accordance with manufacturers recommendations, including such services as repairing and inflating aircraft tires, servicing struts, changing engine oil, servicing oxygen systems, washing and cleaning of the interior and exterior of aircraft and aircraft windows, and recharging or energizing discharged aircraft batteries and starter.
- iii) Adequate waiting lounge(s), briefing room(s), restrooms, telephone facilities, etc.
- iv) Sale of aviation maps and charts, rulers, flight computer hardware and software, and such other miscellaneous goods and equipment necessary or appropriate for general aviation or flight planning.

c) Aircraft, Engine and Accessory Maintenance. In providing this Minimum Service, the FBO shall comply with the applicable Minimum Standards set forth in Section VII.

- 2) Optional Services. In addition to the Minimum Services, an FBO may also provide any Specialized Aeronautical Service for which it is qualified under these Minimum Standards, and is authorized to perform under its Lease with the City. Optional Specialized Aeronautical Services ("Optional Services") include aircraft engine and frame maintenance and repair, specialized aircraft parts maintenance and repair, aircraft sales, charter and air taxi services, and flight training.
- 3) Subcontracting. An FBO may provide any Minimum or Optional Service using its own resources and personnel, or with the prior written consent of the Director, it may provide such Service through a subcontractor subleasing space from the FBO, in accordance with the Minimum Standards and Lease terms applicable to subleasing and subcontracting. The FBO shall remain primarily responsible for any services performed by a subcontractor, and the compliance by such subcontractor with these Minimum Standards.
- 4) Rates and Charges. The FBO's rates or charges to General Aviation users for its services shall be determined by the FBO, subject to the requirement that all such rates or charges shall be reasonable and equally and fairly applied to all users of the services. All rates and charges for such services shall be filed with the Director.
- 5) Hours of Operation. A minimum of sixteen (16) hours per day, seven (7) days per week. The Director may require the FBO to provide a twenty-four (24) hour operation as traffic requires. The FBO shall have personnel available on an on-call basis at all times outside of the Operator's regularly scheduled business hours for emergency services.
- 6) Staffing. During all operating hours, the FBO shall employ and have on duty trained personnel in such numbers and with such certificates and ratings as are required to meet the Minimum Standards, in an efficient manner, for all Minimum and Optional Services being provided by the FBO, including appropriate supervisory and managerial personnel.

B. Minimum Space Requirements

- 1) Leased Premises. The minimum amount of land to be leased for a Fixed Base Land Operation shall be twelve (12) acres.
- 2) Aircraft Parking. The FBO must provide a minimum of 200,000 square feet of paved apron parking for aircraft parking and tie-downs with taxi-out capability, including sufficient taxi clearance, in accordance with applicable FAA regulations.
- 3) Hangars. The FBO shall provide a minimum of 30,000 square feet of hangar space, including not less than 22,000 square feet dedicated to the storage of FBO tenant and transient aircraft, and not less than 8,000 square feet dedicated to provision of aircraft repair and maintenance services and spare parts storage. Excluding T-Hangars, FBO hangars must be not less than 8000 square feet in area, and able to accommodate, at a minimum, FAA Airport Design Group I Aircraft.
- 4) Automobile Parking. The FBO must provide sufficient paved and striped parking to accommodate FBO, and FBO subtenant customers, passengers, and employees on a daily basis,

in accordance with applicable City Code requirements and the ABIA Design and Development Manual.

5) Terminal/Office Space. The FBO shall have a permanent terminal and office space designed and constructed in accordance with the ABIA Design and Development Manual consisting of at least 7,000 square feet of air conditioned space for crew and passenger lounge facilities, public restrooms, training, flight planning, and office space. Restrooms shall be conveniently located, free of charge, accessible to passengers and crews, and maintained in a clean and sanitary manner. At least one working telephone shall be provided for public use. At least 1,000 square feet of office and shop space shall be provided for aircraft maintenance and repair services, in either the terminal building or the hangar in which such services are provided.

C. **Term.** The term of a Lease with an FBO shall be as agreed between the City and the Operator up to a maximum of thirty (30) years unless the Operator can demonstrate to the Director that a longer term is necessary to finance and construct the necessary Improvements required to operate its business at the Airport in accordance with these Minimum Standards. In no event may the term of any Lease exceed forty (40) years, including renewals.

D. **Minimum Experience.** The Operator shall have a minimum of five (5) years of experience in operating a full service Fixed Base Operator facility at another airport similar, in levels and type of service and traffic, to the Airport.

E. **Liability Insurance.** FBOs shall carry and maintain throughout the term of their Lease the following coverages:

1) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$10,000,000 product/completed operations limit of liability. The policy shall contain:

- a) Independent Contractors coverage
- b) Ground Hangarkeepers Liability with a limit of \$2,000,000
- c) Blanket contractual liability coverage for liability assumed under the Lease or Permit
- d) Medical expense coverage with a limit of \$5,000 any one person
- e) City of Austin listed as additional insured, form CG 2010
- f) Thirty (30) day Notice of Cancellation in favor of the City of Austin
- g) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

2) If the FBO operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$5,000,000 for bodily injury and property damage. The policy shall contain:

- a) City of Austin named as additional insured, form TE 9901B
- b) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

3) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage Bodily Injury and Property Damage, and \$10,000,000 for Personal and Advertising Injury. The policy shall contain:

- a) Non-Owned Aircraft Liability with a minimum limit of \$10,000,000
- b) Blanket contractual liability coverage for liability assumed under the Lease or Permit
- c) Medical expense coverage with a limit of \$5,000 any one person
- d) City of Austin as additional insured
- e) Thirty (30) day Notice of Cancellation in favor of the City
- f) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin

VII. STANDARDS APPLICABLE TO SPECIALIZED AERONAUTICAL SERVICE PROVIDERS.

The following standards apply to Specialized Aviation Service Operators. SASOs provide one or more of the following services and shall comply with the Minimum Standards described in this section. The term of a Lease with an SASO shall be as agreed between the City and the Operator up to a maximum of ten (10) years unless the Operator can demonstrate to the Director that a longer term is necessary to finance and construct the necessary Improvements required to operate its business at the Airport in accordance with these Minimum Standards. In no event may the term of any Lease exceed forty (40) years, including renewals. If an Operator is not leasing land from the City, but is leasing from another Airport tenant, and shall operate under a Permit, the term of such Permit shall be for one year, and month to month thereafter, unless the Operator can demonstrate to the Director that a longer term is necessary to operate its business at the Airport in accordance with these Minimum Standards.

A. Aviation Shop Repair Services. (Radios, Painting, Upholstery, Propellers, Instruments, Accessories, etc.) An Aviation Shop Repair Services Operator is a Person engaged in the business of operating a shop, or a combination of FAA certified shops for the repair of aircraft radios, propellers, instruments, and accessories for general aviation aircraft. The Operator may furnish one, or if desired, any combination of these services. This category includes sale of new and/or used aircraft radios, propellers, instruments and accessories.

1) Minimum Standards. The Operator shall maintain, as necessary, the repair station certificates required by the FAA which are applicable to the operation or operations contemplated. The avionics portion of the services offered must maintain current the qualifications of Class I and Class II FAA designated repair station. The Operator shall have in its employ, and on duty during the required operating hours, trained personnel currently certified as FAA radio, instrument or propeller repairmen in such numbers as are required to meet the minimum standards set forth for this category in an efficient manner.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land upon which all required Improvements shall be located, including adequate (a) hangar or shop space for aircraft maintenance and repair and parts and equipment storage, (b) air conditioned space for office, restrooms, lounge and telephone facilities for customer use, (c)

paved aircraft apron space to accommodate the maximum number and type of aircraft that Operator can service at any one time, and (d) paved motor vehicle parking facilities to accommodate Operators customers and employees on a daily basis. If painting operations are contemplated, the Operator shall provide a separate paint shop that meets all applicable safety and air quality and other environmental requirements.

3) Hours of Operation. The Operator shall have personnel available two hours' notice on an on-call basis at all times outside of the Operator's regularly scheduled business hours for emergency services.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$10,000,000 product/completed operations limit of liability. The policy shall contain the following provisions:

- i) Independent Contractors Coverage
- ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
- iii) Medical expense coverage with a limit of \$5,000 any one person
- iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
- v) City of Austin listed as additional insured
- vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
- vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$5,000,000 for bodily injury and property damage. The policy shall contain:

- i) City of Austin named as additional insured, form TE 9901B
- ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage Bodily Injury and Property Damage and \$10,000,000 for Personal and Advertising Injury. The policy shall contain:

- i) Contractual liability coverage for liability assumed under the Lease or Permit

- ii) Medical Expense coverage with a limit of \$5,000 any one person
- iii) City of Austin as additional insured
- iv) Thirty (30) day Notice of Cancellation in favor of the City
- v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
- vi) Non-owned aircraft liability with a minimum limit of \$10,000,000

6) Independent Repair Service Technicians. An independent repair service technician may provide aircraft repair services at the Airport if the independent technician applies for, and is granted, an Independent Repair Service Technician Permit in accordance with these Minimum Standards. The independent repair service technician must pay the applicable permit fee, and provide proof of proper and current required FAA certifications for the type of repair services offered, and liability insurance as specified above in Section VI.A.5). Independent repair service technicians are not subject to the Minimum Space and Hours of Operation requirements of this Section. Repair services may be performed only in areas of the Airport designated by the Director as suitable for such work.

B. Aircraft Airframe And Powerplant Repair and Maintenance. The Operator is a Person engaged in the business of providing aircraft airframe and powerplant repair and maintenance services, including the non-exclusive right to sell aircraft parts and accessories.

1) Minimum Standards. The Operator shall apply for Part 145 Repair Station Certification from the FAA, and shall provide a true copy of the Certificate to the Director when granted. Failure to obtain Repair Station Certification within six months of application shall be a violation of these Minimum Standards, unless the Operator can demonstrate the failure is attributable to FAA delays, and not the fault of Operator. Operator shall employ a sufficient number of FAA certified mechanics with airframe, powerplant and inspector ratings to properly and safely perform the work performed by Operator, including and at least one FAA certified A&P mechanic on duty during normal business hours. Operator shall have all necessary tools, equipment, supplies, and parts necessary to perform its repair and maintenance services in accordance with manufacturer's recommendations and applicable FAA regulations.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land upon which all required Improvements shall be located, in accordance with the requirements of Part 145, including (a) one or more hangars adequate for aircraft maintenance and repair and parts and equipment storage, (b) air conditioned space for office, restrooms, customer lounge and telephone facilities for customer use office, (c) paved aircraft apron space to accommodate the maximum number and type of aircraft that Operator can service at any one time, and (d) paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis. If painting operations are contemplated, the Operator shall provide a separate paint shop that meets all applicable safety and air quality and other environmental requirements.

3) Hours of Operation. The Operator shall have personnel available upon two hours' notice on an on-call basis at all times outside of the Operator's regularly scheduled business hours for emergency services.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$10,000,000 product/completed operations limit of liability. The policy shall contain:

- i) Independent Contractors Coverage
- ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
- iii) Medical expense coverage with a limit of \$5,000 any one person
- iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
- v) City of Austin listed as additional insured
- vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
- vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$5,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

- i) City of Austin named as additional insured, form TE 9901B
- ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage Bodily Injury and Property Damage, and \$10,000,000 for Personal and Advertising Injury. The policy shall contain:

- i) Contractual liability coverage for liability assumed under the Lease or Permit
- ii) Medical Expense coverage with a limit of \$5,000 any one person
- iii) City of Austin as additional insured
- iv) Thirty (30) day Notice of Cancellation in favor of the City
- v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
- vi) Non-owned aircraft liability with a minimum limit of \$10,000,000

C. **Flight Training and Ground School.** A flight training and ground school Operator is a Person engaged in the business of instructing pilots in dual and solo flight operations, in fixed and/or rotary wing aircraft, and such related ground school instruction as is necessary to prepare persons for

taking a written examination and flight check for the category or categories of pilots' licenses and rating involved.

1) Minimum Standards. The Operator shall obtain and maintain an FAA certificate under FAR Part 61 or 141, as applicable to its operation. The Operator shall employ at a sufficient number of instructors to provide the type of flight and ground training offered. All instructors shall be fully trained and properly certificated by the FAA. Flight instructors shall have a current pilot's license and, to the extent required by applicable regulations, medical certificate. The Operator shall own or lease and have available for use in flight training at least one properly certified aircraft appropriate to the type of flight instruction offered. The Operator shall have appropriate training equipment and instructional materials to provide proper and effective flight training, including adequate mock-ups, pictures, slides, films or other visual aids. All equipment and materials must comply with applicable FAA requirements for the training offered.

2) Minimum Space Requirements. The Operator shall lease or sublease (a) a sufficient amount of hangar or tie-down space for all aircraft used for flight instruction at the Airport, (b) air conditioned space for classroom, office, briefing room, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis. Ground instruction may not be provided in public areas of the Airport.

3) Hours of Operation. A minimum of eight (8) hours per day, five (5) days per week.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$1,000,000 product/completed operations limit of liability. The policy shall contain:

- i) Independent Contractors Coverage
- ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
- iii) Medical expense coverage with a limit of \$5,000 any one person
- iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
- v) City of Austin listed as additional insured
- vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
- vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and

hired vehicles with a minimum combined single limit of \$1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

- i) City of Austin named as additional insured, form TE 9901B
- ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage Bodily Injury and Property Damage, and \$1,000,000 for Personal and Advertising Injury. The policy shall contain:

- i) Contractual liability coverage for liability assumed under the Lease or Permit
- ii) Medical Expense coverage with a limit of \$5,000 any one person
- iii) City of Austin as additional insured
- iv) Thirty (30) day Notice of Cancellation in favor of the City
- v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
- vi) Non-owned aircraft liability with a minimum limit of \$1,000,000

6) Independent Flight Instructors. An independent flight instructor may provide aircraft flight instruction at the Airport if the independent instructor applies for, and is granted, an Independent Flight Instructor Permit in accordance with these Minimum Standards. The independent flight instructor must pay the applicable permit fee, and provide proof of proper and current pilot's license, required FAA certifications for the type of instruction offered, and liability insurance as specified above in Section VI.C.5). Independent flight instructors are not subject to the Minimum Space and Hours of Operation requirements of this Section. Ground school and briefing/debriefing may be provided off-airport or on-airport in leased or subleased space, but such instruction may not be provided in public areas of the Airport.

D. Aircraft Sales. An aircraft sales Operator is a Person engaged in the business of selling new or used aircraft through franchises, or licensed dealership or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer or otherwise; and providing such repair, services and parts as necessary to meet any guarantee or warranty on new or used aircraft sold.

1) Minimum Standards. The Operator shall have at least one full time authorized agent to transact sales, and at least one fully licensed and certificated pilot with ratings appropriate for the types of aircraft to be demonstrated. All dealers shall be properly bonded and licensed in accordance with applicable Federal, State, City, and local laws, rules and regulations. A new aircraft sales Operator shall have available or on call at least one current model of the aircraft made by the manufacturer the Operator represents, and shall provide for demonstrations of additional models of such manufacturer. The Operator shall provide all parts, equipment and services required to repair and service aircraft sold by the Operator during applicable warranty periods. Warranty service facilities may be provided through written agreement with an FBO or other repair shop Operator at the Airport.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its projected inventory of aircraft, (b) air conditioned space for salesroom, office, restrooms, and telephone facilities for customer use, (c) if the Operator is providing warranty maintenance itself, sufficient additional space to provide warranty maintenance and service for aircraft and for parts storage, and (d) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.

3) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

4) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$1,000,000 product/completed operations limit of liability. The policy shall contain:

- i) Independent Contractors Coverage
- ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
- iii) Medical expense coverage with a limit of \$5,000 any one person
- iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
- v) City of Austin listed as additional insured
- vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
- vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

- i) City of Austin named as additional insured, form TE 9901B
- ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage Bodily Injury and Property Damage and \$1,000,000 for Personal and Advertising Injury. The policy shall contain:

- i) Contractual liability coverage for liability assumed under the Lease or Permit
- ii) Medical Expense coverage with a limit of \$5,000 any one person
- iii) City of Austin as additional insured
- iv) Thirty (30) day Notice of Cancellation in favor of the City

- v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
- vi) Non-owned aircraft liability with a minimum limit of \$1,000,000

E. **Aircraft Rental.** An aircraft rental Operator is a Person engaged in the business of renting aircraft to the public.

- 1) Minimum Standards. The Operator shall own or lease and have available for rental, either owned or under written lease to Operator, a sufficient number of airworthy aircraft properly certificated to handle the proposed scope of its operation. Operator shall employ at least one person having current FAA pilot's license appropriate for the each of the aircraft models offered for rental. The Operator shall develop and implement written policies to ensure that only properly qualified and licensed Persons may rent aircraft, and shall provide a copy of such policies to the Director.
- 2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its projected inventory of rental aircraft, (b) air conditioned space for office, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.
- 3) Hours of Operation. A minimum of a minimum of eight (8) hours per day, six (6) days per week.
- 4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.
- 5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:
 - a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$1,000,000 product/completed operations limit of liability. The policy shall contain:
 - i) Independent Contractors Coverage
 - ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - iii) Medical expense coverage with a limit of \$5,000 any one person
 - iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
 - v) City of Austin listed as additional insured
 - vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
 - vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin
 - b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and

hired vehicles with a minimum combined single limit of \$1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

- i) City of Austin named as additional insured, form TE 9901B
 - ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A
- c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage Bodily Injury and Property Damage and \$1,000,000 for Personal and Advertising Injury. The policy shall contain:
- i) Contractual liability coverage for liability assumed under the Lease or Permit
 - ii) Medical Expense coverage with a limit of \$5,000 any one person
 - iii) City of Austin as additional insured
 - iv) Thirty (30) day Notice of Cancellation in favor of the City
 - v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
 - vi) Non-owned aircraft liability with a minimum limit of \$1,000,000

F. **Aircraft Charter and Air Taxi Service.** An aircraft charter and air taxi Operator is a Person engaged in the business of providing air transportation to the public for hire, either on a charter basis or as an air taxi Operator, as defined in the Federal Aviation Act of 1958, or as said Act may be amended from time to time. Non-scheduled air carrier companies providing service to and from the Airport, but not based on the Airport, are exempt from these Minimum Standards.

1) Minimum Standards. The Operator must hold a valid current FAA Air Charter and Taxi Certificate under FAR Part 135, with appropriate ratings and licenses for the services to be provided at the Airport. All pilots must be fully qualified and certificated for air charter and air taxi service. The Operator must own or lease and have available under its exclusive control at least one airworthy and fully certificated multi-engine all-weather aircraft. The Operator shall have available sufficient trained personnel for checking in and ticketing passengers, and handling luggage.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its fleet of aircraft based at the Airport, (b) air conditioned space for office, customer lounge, cargo and luggage storage and handling space, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.

3) Hours of Operation. A minimum of a minimum of eight (8) hours per day, five (5) days per week and shall be available on two hours' notice on an on-call basis after Operator's regularly scheduled business hours.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$20,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$20,000,000 product/completed operations limit of liability. The policy shall contain the following provisions:

- i) Independent Contractors Coverage
- ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
- iii) Medical expense coverage with a limit of \$5,000 any one person
- iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
- v) City of Austin listed as additional insured
- vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
- vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$5,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

- i) City of Austin named as additional insured, form TE 9901B
- ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$20,000,000 for coverage Bodily Injury and Property Damage and \$20,000,000 for Personal and Advertising Injury. The policy shall contain:

- i) Contractual liability coverage for liability assumed under the Lease or Permit
- ii) Medical Expense coverage with a limit of \$5,000 any one person
- iii) City of Austin as additional insured
- iv) Thirty (30) day Notice of Cancellation in favor of the City
- v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
- vi) Non-owned aircraft liability with a minimum limit of \$20,000,000

ATTACHMENT L

PUBLIC AUTOMOBILE PARKING FACILITIES AND SHUTTLE BUS MANAGEMENT AGREEMENT AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

THIS MANAGEMENT AGREEMENT is made and entered into as of the 1st day of October, 2009 between the City of Austin, Texas, acting through its Executive Director of the Department of Aviation, and AMPCO System Parking, a California corporation, a subsidiary of ABM Industries, Incorporated.

WHEREAS:

- The City owns and operates Austin-Bergstrom International Airport.
- The City has selected Ampco System Parking to manage the public automobile parking facilities and shuttle buses at the Airport utilizing a Request for Proposals.

NOW, THEREFORE, for and in consideration of the fees, covenants and agreements contained herein, the parties agree as follows:

1. DEFINITIONS

- 1.1 **"ACDBE"** means the Airport Concession Disadvantaged Business Enterprise program, the program required under 49 CFR Part 23 whereby qualified disadvantaged business enterprises are granted an opportunity to participate in Airport concession contracts.
- 1.2 **"Agreement"** means this Public Automobile Parking Facilities and Shuttle Bus Management Agreement.
- 1.3 **"Airport"** means the Austin-Bergstrom International Airport.
- 1.4 **"Applicable Law"** means all applicable federal, state and local laws, codes, ordinances, rules, regulations, judgments, decrees, or directives of any Governmental Authority having jurisdiction over the Airport, the Parking Facilities, or Company.
- 1.5 **"City"** means the City of Austin, a Texas home-rule municipal corporation.
- 1.6 **"Company"** means AMPCO System Parking and its permitted subcontractors, successors or assigns.
- 1.7 **"Contract Year"** means a period of twelve months commencing on the Effective Date, or anniversary of the Effective Date.
- 1.8 **"Customer"** means a person who uses the Airport Parking Facilities.
- 1.9 **"Daily Receipts"** means all monies, cash or credit, paid or payable for parking services in a twenty-four (24) hour period commencing at 12:00 a.m., and other authorized revenue-generating activities such as abandoned car sales and State sales tax.
- 1.10 **"Department"** means the City of Austin Department of Aviation.
- 1.11 **"Director"** means the official appointed by the City Manager or other lawful authority to serve as the head of the Department of Aviation, or the Director's designee.

- 1.12 **"Effective Date"** means October 1, 2009.
- 1.13 **"Governmental Authority"** means any governmental, judicial or administrative entity, body or authority.
- 1.14 **"Headways"** means the maximum time a parking lot patron will wait for Shuttle Bus pick-up at designated locations.
- 1.15 **"Gross Receipts"** means all parking fees and charges collected or should have been collected or due hereunder by Company resulting from the parking or storing of vehicles on Airport Parking Facilities.
- 1.16 **"Parking Facilities"** means the Airport public and employee surface parking lots and parking garage, as defined in Section 3 below and depicted on **Exhibit A**, attached hereto and made a part hereof, together with all improvements thereto.
- 1.17 **"Parking Fee Schedule"** means the schedule of fees and rates established by the City from time to time for the privilege of parking in the Parking Facilities.
- 1.18 **"Parking Program Manager"** means the City employee designated to coordinate Airport parking activities.
- 1.19 **"Premises"** means the space provided Company in the Parking Administration building as shown in **Exhibit B** and the offices at the toll plazas.
- 1.20 **"Procedures Manual"** means the approved, written procedures and standards for the management and operation of the Parking Facilities prepared by the Company and approved by the Director.
- 1.21 **"Resident Manager"** means the Company's senior, full-time, local representative who will manage daily parking lot operations.
- 1.22 **"Revenue Control Equipment"** means all laser readers, computer workstations utilizing the computerized parking control system software, gates, gate controllers, cash auditing terminals, and ticket issuing machines owned by the City and used by the Company in operation of the Designated Parking Facilities.
- 1.23 **"Revenue Control System" or "RCS"** means the equipment and procedures developed by the City for the control and security of the revenue derived from operation of the Parking Facilities.
- 1.24 **"Revenue Control System Contractor"** means the contractor engaged by the City to provide and maintain the Revenue Control System.
- 1.25 **"Shuttle Bus"** means a bus, van or other motor vehicle used to transport Customers or employees between terminal building and Parking Facilities.
- 1.26 **"Shuttle Bus Cost"** means the airport Shuttle Bus operating costs, which include monthly lease or installment purchase payments, fuel, oil, tires, maintenance and repair, radio equipment, drivers' wages and benefits and other similar vehicle operating expenses, but excluding the cost to operate and maintain equipment installed and owned by Company;
- 1.27 **"Shuttle Bus System"** means the fleet of Shuttle Buses.
- 1.28 **"Staffing Schedule"** means the set of charts identifying the positions to be filled by personnel of the Company in performance of this Agreement and the minimum number of personnel that shall be working in each such position during each day of the week and

each clock hour of each such day, as agreed to by the Director, and incorporated into the Procedures Manual.

- 1.29 **"Valet Parking"** means the parking service in which (a) a customer delivers his or her vehicle into the care, custody, and control of Company at a designated valet drop-off location on the Airport, (b) Company personnel park the vehicle in a designated valet parking area, and (c) upon request by the customer, Company personnel return the vehicle to the customer at a designated valet parking pick-up location on the Airport.

2. TERM

- 2.1 **Initial Term.** The Agreement shall be effective as of the Effective Date and continue in force for a term of five (5) years ("Initial Term"), unless sooner terminated or extended in accordance with the terms and conditions of this Agreement.
- 2.2 **Renewal Terms.** Provided that Company is not in default, the parties may agree to extend the term of this Agreement on the same terms and conditions for up to two additional terms (each a "Renewal Term") of one (1) year each by written agreement executed at least six months prior to the end of the Initial Term, or first Renewal Term, as applicable. Neither party shall be under an obligation to agree to extend the Initial Term.

3. PARKING FACILITIES

The Parking Facilities consist of:

- 3.1 **Parking Garage**, a three story structure; with public parking in 2,447 spaces on floors one and two only. It is located north of the Terminal building as shown on Exhibit A.
- 3.2 **Lot A**, a paved, 1,819 space surface parking lot, located north of the parking garage, as shown on Exhibit A.
- 3.3 **Lot B**, a paved, 1,283 space surface parking lot, located north of Lot A, as shown on Exhibit A.
- 3.4 **Lot C**, a paved, 1,564 space surface parking lot, located east of long-term parking Lot B, as shown on Exhibit A.
- 3.5 **Lot D**, a paved, 1,422 space surface parking lot, located north of long-term parking Lot B, as shown on Exhibit A.
- 3.6 **Lot E**, a paved, 533 space surface parking lot, located east of long-term parking Lot D, as shown on Exhibit A.
- 3.7 **Lot F**, a paved, 1,073 space surface parking lot, located north of long-term parking Lot D, as shown on Exhibit A.
- 3.8 **Lot G**, a paved, 1,214 space surface parking lot, located east of long term parking Lot E and north of long-term parking Lot C, as shown on Exhibit A.
- 3.9 **Lot H**, a paved 450 space surface parking lot used for overflow parking located on Rental Car Lane, as shown on Exhibit A.
- 3.10 **Other**, such other garage or surface parking lot that the City develops at the Airport during

the term of this Agreement, and directs Company to manage.

4. RIGHTS, PRIVILEGES AND OBLIGATIONS OF COMPANY

- 4.1 **Management and Operation.** The City hereby grants to Company the right, and Company hereby assumes the obligation, to operate and manage the Shuttle Bus System and the Parking Facilities for the term of this Agreement.
- A. Except as otherwise directed in writing by the Director, Company shall operate the Parking Facilities and Shuttle Bus System twenty-four (24) hours per day, every day of the year for so long as this Agreement remains in effect.
- B. Company shall operate the Parking Facilities and Shuttle Bus System solely for Airport uses, and for no other purpose whatsoever, without the prior written consent of the Director.
- 4.2 **Purpose.** The City is entering into this Agreement to ensure that a high level of service is made available to Customers. Company shall manage, staff, maintain and operate the Parking Facilities in a first class manner in accordance with the terms, conditions and covenants of this Agreement, the Procedures Manual, Applicable Law, and best management practices in the industry. Company agrees that its operating budgets are, and shall be throughout the term of this Agreement, consistent with attaining the standards required in this Agreement. Company shall take all reasonable steps to ensure that prompt, courteous and efficient service is provided to all Customers. Company shall pay from its own operating funds, all necessary expenses incurred in the operation of the Parking Facilities, subject to reimbursement by the City in accordance with the provisions of Section 11 below.
- 4.3 **Valet Parking.** Company shall provide a full service Valet Parking operation at the Airport. Company shall provide all labor and other services necessary to operate the Valet Parking. The City will make available curb space on the terminal roadway for valet drop off, and space in the terminal parking garage, or other location, for storage of valet parked vehicles. The Department may terminate or suspend the Valet Parking operation at any time upon forty-five (45) days' prior written notice to Company.
- 4.4 **Entry and Exit Functions.** Company shall monitor and operate all entrances and exits to the Parking Facilities and shall perform cashier functions at all Parking Facilities in accordance with the Procedures Manual and reasonable instructions received from the Director.
- 4.5 **Traffic Management.** Company shall monitor and manage all traffic problems in the Parking Facilities by all necessary or reasonable means, including directing traffic, placing and removing cones or barricades and erecting or replacing delineators.
- 4.6 **Lot Inventory.** Company shall take nightly inventory of all vehicles in the Parking Facilities, except in any lot designated and exclusively used as an Employee Lot. Company shall take the nightly inventory in accordance with the Procedures Manual and the direction of the Director, using equipment provided by the City.
- 4.7 **License Plate Recognition.** If requested to do so by the Director, Company shall implement, operate, and maintain a License Plate Recognition (LPR) system using

equipment provided by the City.

4.8 **Revenue Control System.**

- A. As of the Effective Date, the RCS is an Amano McGann on-line real-time parking management system designed specifically to accommodate the parking demands of the Airport parking environment.
- B. The RCS is a credit card on file system requiring Payment Card Industry (PCI) compliance, which, as of the Effective Date, is being monitored through a third party consolidated security scanning service. The Company shall ensure compliance with PCI standards currently in effect and any revisions of the PCI standards implemented in the future by maintaining the existing service or providing a similar service acceptable to the City.
- C. Company shall operate the Revenue Control System in each area of the Parking Facilities.
- D. Company shall cooperate with and reasonably assist the Revenue Control System Contractor with revenue control system maintenance, trouble-shooting, and implementation of system upgrades.
- E. The Revenue Control System includes components specially developed by or on behalf of the City, including, but not limited to software. Such components and software shall not be used, duplicated, reverse engineered, licensed, or sold without the express written consent of the City and the owner of the copyright or other intellectual property right to the Revenue Control System or any component or part thereof. Company shall execute such license agreements as may be required by the City or the owner of the copyright or other intellectual property right to the Revenue Control System, or any software or component or part thereof. COMPANY SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS OF COPYRIGHT INFRINGEMENT OR OTHER INTELLECTUAL PROPERTY CLAIMS OF ANY THIRD PERSON ARISING FROM COMPANY'S BREACH OF ITS OBLIGATIONS UNDER THIS SECTION. If Company develops any software or other product ("deliverable") at the City's expense for use in Company's operations under this Agreement, Company agrees that upon their creation, the deliverables shall be considered as work made-for-hire by Company for the City and the City shall own all copyrights in and to the deliverables; provided, however, that nothing in this section shall negate Company's sole or joint ownership of the deliverables arising by virtue of Company's sole or joint authorship of the deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, Company hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to the deliverables. With respect to work made-for-hire, Company agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by City, to City upon delivery of the deliverables to City or at such other time as City may request.
- F. Company shall perform central computer monitoring functions of the Revenue

Control System as described herein and as otherwise directed by the Director. Company shall perform, at such frequency as the Director may direct, the following central computer monitoring functions: report initiation (print-out and storage media), collection, distribution and storage; data reconciliation and audit; video recording and video auditing; on-line transaction and other data queries, and communication with various City departments; and system status monitoring reporting and correction.

- G. Company represents that it understands and is capable of efficiently operating the Revenue Control System, to its full capability, including license plate inventory and space control, that is in place on the Effective Date. Company shall fully cooperate with the City, if during the term of this Agreement, the City changes or replaces the Revenue Control System. The Company will train its employees in the proper use of the existing Revenue Control System or any other Revenue Control System that the City may have installed.
- H. Company shall provide the following maintenance and repair services with respect to the Revenue Control Equipment:
 - 1) replacement of gate arms,
 - 2) loading tickets in dispensers,
 - 3) clearing ticket jams,
 - 4) correcting minor problems,
 - 5) clearing jams in card readers and point of sale equipment, and
 - 6) promptly report in writing any damage to the RCS, malfunctions, defects, and recurring maintenance problems with the Revenue Control Equipment to the Parking Program Manager and the Revenue Control System Contractor.

The cost of materials used by Company in performing RCS maintenance and repair shall be a reimbursable expense under Section 11.4; provided, however, any maintenance or repair required to be performed on the Revenue Control System as a result of damage caused by the Company's gross misuse, willful misconduct, abuse or negligent operation of the Revenue Control System shall be performed at the Company's sole cost and expense, and shall not be reimbursed by the City. In no event shall Company perform or cause to be performed any work on the Revenue Control System other than on Revenue Control Equipment.

4.9 **Revenue Handling and Accounting.** Company shall:

- A. Collect parking fees from Customers, and remit such fees to the Department, as directed by the Director.
- B. Perform accounting and on-site auditing for all parking revenues and accounts.
- C. Maintain control and accountability, including proper procedures and controls for all ticketed, ticketless, and non-normal (exception and non-revenue) transactions.

4.10 **Procurement of Goods, Services and Equipment**

- A. When instructed to do so in writing by the Director, Company agrees to procure goods, services, and equipment necessary or appropriate for the operation of the Parking Facilities on behalf of the City. In procuring such goods, services, and equipment, Company shall comply with all Applicable Law governing City procurements. Without limiting the general applicability of the foregoing sentence, all procurements over \$50,000 must be solicited through competitive sealed bids or proposals in accordance with the requirements of Texas Local Government Code Chapters 252 or 271, as applicable. Notice of the solicitation must be given as provided in Texas Local Government Code Chapter 252. Unless Company is advised in writing that a procurement is exempt by law from the requirements of a competitive solicitation, or the requirement for competitive solicitation is waived by the Director, Company shall obtain at least three bids or proposals for all goods, services, or equipment procured by Company under this Agreement, regardless of the contract amount. Company shall evaluate all bids or proposals, and make a written recommendation to the Director as to which offer is the low responsive bid, or the best proposal, as applicable. The City shall make the final determination as to all contract awards. The Procedures Manual shall include detailed procedures for procuring common types of goods, services, and equipment required in the operation of the Parking Facility.
- B. The cost of goods, services, and equipment procured by Company under this Section shall be passed through to the City without markup, except for Company's actual costs incurred in the procurement as authorized in advance by the Director, as reimbursable expenses pursuant to Section 11.2 or 11.4, as applicable, unless otherwise provided in this Agreement. The City shall be entitled to the benefit of any volume discount, rebate or other incentive granted to Company with respect to any purchase of goods or services for which it is reimbursed by the City.
- C. The Director must approve in advance the term of any lease or installment purchase of goods, services, or equipment. If the term of any Director-authorized lease or installment purchase agreement extends past the expiration date of this Agreement, Company shall, upon expiration of this Agreement, assign all its rights and obligations in such lease or installment purchase agreement to the City or Company's successor as manager of the Parking Facilities, as instructed by the Director. All leases and installment purchase agreements entered into by Company under this Agreement must expressly pre-authorize an assignment by Company to the City or successor manager, without any additional consent of the lessor or lender, as applicable. The assumption of any lease or installment purchase agreement by the City or successor manager shall not relieve Company of any obligations incurred by Company prior to the effective date of the assignment to the City or successor manager.
- D. If so instructed by the Director in writing, Company shall sell or dispose of surplus Parking Facility goods, equipment and vehicles in a manner determined by the Director, subject to Applicable Law. All proceeds of sale shall be the property of the City, and shall be remitted by Company to the City, less actual expenses of sale. Company may not sell or dispose of any Parking Facility goods, equipment or vehicles without the prior written consent of the Director.

- E. All goods, services or equipment purchased by Company for which the City reimburses Company shall become property of the City immediately upon reimbursement. At any time during the term of this Agreement or thereafter, Company shall, upon the request of the Director, execute a bill of sale or such other document as the Director determines is appropriate and sufficient to vest title in or otherwise evidence ownership by the City. This provision shall survive expiration or termination of this Agreement.
- 4.11 **Construction Disruption.** During the term of this Agreement, there will be occasional disruption in portions of the Parking Facilities resulting from City-directed construction. Company acknowledges that such disruption will occur, agrees to cooperate with the City and any of the City's contractors or subcontractors to manage and minimize the disruptions in the Parking Facilities. Company will not be entitled to any additional Management Fee (as defined in Section 9.1) or other additional compensation as a result of such construction disruption.
- 4.12 **Frequent Parker Program.** Company shall administer the Department's frequent parker program in accordance with the Procedures Manual and instructions from the Director.
- 4.13 **Shuttle Bus Operations.**
 - A. The Company shall operate, maintain and repair the Shuttle Buses in accordance with this Agreement, the Procedures Manual, and the directions of the Director. The Company shall pay all Shuttle Bus Costs, subject to reimbursement by the City in accordance with Section 11.2.
 - B. Shuttle Buses shall be used to transport Customers between the surface parking lots and the Airport terminal, unless otherwise authorized in writing by the Director. In addition, the Company shall, if so instructed, provide Shuttle Bus services between any points on the Airport for any purpose identified by the Airport Director, including, but not limited to, transporting Customers and Airport employees during airport emergencies. The City reserves the right to separately contract for Shuttle Bus services between locations other than between the Parking Facilities and the Airport Terminal.
 - C. If requested by the Director, Company shall assist the City in procuring new or replacement Shuttle Buses, and in disposing of used or obsolete Shuttle Buses. Assistance in procurement may include recommending size, type and other specifications of Shuttle Buses, identifying potential vendors, assisting in the drafting of a solicitation to acquire Shuttle Buses, and assisting in the evaluation of bids or proposals. Company shall make written recommendations to the Director whether the Shuttle Buses should be leased, lease-purchased, purchased on installments, or purchased outright. The recommendations shall include estimated costs for each option. The Director shall have the final determination in all Shuttle Bus procurement decisions.
 - D. The Company shall operate Shuttle Buses along routes approved by the Director, and incorporated into the Procedures Manual.
 - E. All Shuttle Buses must use alternative fuels (to the extent such fuels are available), unless otherwise approved, in writing, by the Director. As used in this

section, "Alternative Fuels" is defined as provided in Title 10 CFR Part 490.2, which, as of the Effective Date, means methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials (including neat biodiesel); three P-series fuels (specifically known as Pure Regular, Pure Premium and Pure Cold Weather) as described by United States Patent number 5,697,987, dated December 16, 1997, and containing at least 60 percent non-petroleum energy content derived from methyltetrahydrofuran, which must be manufactured solely from biological materials, and ethanol, which must be manufactured solely from biological materials; and electricity (including electricity from solar energy). The Department has constructed a propane fueling station on the Airport. All propane powered Shuttle Buses must use the Airport propane fueling station exclusively, unless the propane station is inoperative. The City shall issue Company a card for each Shuttle Bus, which will allow it to fuel at the Airport propane station. Charges for fuel purchased at the Airport propane station is charged to and paid directly by the City, and therefore shall not be included in the Shuttle Bus Costs. Company shall not include the cost of propane fuel in developing its operating budgets. Company shall be reimbursed its costs for purchases of propane fuel under Section 11.4. only when the City's propane station is inoperable

- F. The Company shall operate a separate shuttle route to service Parking Facilities that are used exclusively as employee lots.
- G. The number of buses dedicated to each lot must be commensurate with the demand at any time of the day to reasonably assure that no Customer or employee is without transportation longer than the maximum waiting time specified in the Shuttle Bus Headway Schedule approved by the Director and incorporated into the Procedures Manual.
- H. The Director shall approve the Shuttle Bus color and all markings on Shuttle Buses. Shuttle Buses shall prominently display the Airport Parking Facility logo and trade name, if any, adopted by the Department. The Department reserves the exclusive right to use space on the Shuttle Buses for commercial advertising. Company shall not place any inscriptions or advertisements on shuttle buses without the Director's prior approval.
- I. Company shall not perform vehicle maintenance on the Airport, except as directed or authorized in advance by the Director in writing. Vehicle maintenance performed on airport property will be in compliance with the Department of Aviation's Storm Water Pollution Prevention Plan and associated Best Management Practices.
- J. Company's Shuttle Bus operators shall assist Customers with their luggage when entering and exiting the Shuttle Bus.

- 4.14 **Employee Parking.** Company shall manage and administer the Department's employee parking program in accordance with the directions of the Director and the Procedures Manual.

- 4.15 **Reports.** Company shall generate and submit daily or monthly reports as provided in this Agreement and the Procedures Manual, including but not limited to, monthly summary of revenue from all parking operations, vehicle inventory activity, tickets issued and collected, unaccounted for tickets, and shall generate and submit such other reports at such times as the Director may direct. Daily and monthly reports shall be in a form approved by the Director and incorporated into the Procedures Manual.
- 4.16 **Contracts and Services.** Company shall, during the term of this Agreement, provide the contractual services listed below. The costs incurred to provide the contractual services are reimbursable under Section 11.2.
- A. *Credit Card Processing:* Contracts or services necessary to accept and process credit cards as a method of payment for parking that are compatible with the City's credit card acceptance equipment.
 - B. *Armored Car and Revenue Depository Services:* Contracts or services necessary for the collection and depositing of parking revenue to the City's bank account.
 - C. *GPS Shuttle Tracking System (RASTRAC).* Contract(s) for supporting, servicing and programming the cellular-based global positioning system used to monitor and track the Shuttle Buses.
 - D. *Towing and Abandoned Vehicle Services.* Contracts or services necessary to tow, remove and sell abandoned and other vehicles under Section 30.
 - E. *TrustWave UTM:* Monitored firewall for the detection and prevention of attempts by unauthorized persons or systems to access the RCS using the internet.
- 4.17 **Equipment and Service Vehicles.** Company, at its sole expense and without reimbursement, shall, during the term of this Agreement, provide the following:
- A. *Furniture and Computers:* All furniture, office equipment, computers, and related computer equipment necessary to support the operation of Company's office at the Airport. This obligation does not require the Company to provide computers and related equipment necessary to support the Revenue Control System, which will be provided by the City for Company's use. The Company shall provide all furniture, fixtures and equipment to furnish office space at the Premises.
 - B. *Service Vehicles:* Not less than three (3) service vehicles for use in performance of company's obligations under this Agreement, comprised of any combination of pick-up trucks or vans as approved by the Director. Such service vehicles shall be uniform in color and markings and such color and markings shall be approved in advance by the Director. At no time during the term of this Agreement may any service vehicle be more than five (5) model years old. Each service vehicle shall, at all times, be: (i) clean, in good working order, and free of body damage; (ii) equipped with a yellow emergency light and an electronic device for warning when the vehicle is being driven in reverse; and (iii) equipped with vehicle jump start and tire inflation units for customer service applications. At least two service vehicles shall be vans equipped with wheelchair lifts capable of transporting disabled Customers between the Parking Facilities and the Airport Terminal. The cost to purchase or lease the service vehicles is a non-reimbursable expense. The operating and maintenance cost of the service vehicles is also non-reimbursable,

except that the City will allow the service vehicles to refuel at the City fuel facility on the Airport at the City's expense. The cost of fuel from any location other than the Airport fuel facility is non-reimbursable.

- 4.18 **Customer Claims, Comments and Complaints.** Company shall handle and report to the Director, in a manner reasonably satisfactory to the Director and in accordance with the Procedures Manual, all Customer comments and complaints. Company shall report to the Director all claims made for loss or damage to vehicles or other property in connection with the operation of the Parking Facilities within one business day after receipt. Company shall deliver a written summary of each complaint received orally, and a copy of any written complaint, to the Director within twenty-four (24) hours after Company's receipt of the complaint and shall promptly prepare a written response to any written complaint for the Director's review. In such written response, Company shall make a good-faith effort to explain, resolve or rectify the cause of the complaint. Upon the Director's review and approval of the draft written response, Company shall prepare and send Company's response to the complaining person and the Director. Company shall prepare and deliver to the Director periodic reports summarizing complaint activity, as the Director may request. If a Customer experiences a problem in any way with the service provided by Contractor, or its agents or employees, Contractor shall be responsible for issuing any refunds due the Customer. Refunds under this section are not a reimbursable expense unless expressly authorized by the Director.
- 4.19 **General Maintenance.** Except as provided in Section 5.3, Company shall be responsible for all maintenance and custodial services required to keep all entry and exit lanes at the Parking Facilities, the interior space of the toll plazas, the interior space of the cashier booths, the Premises, all office areas, all office equipment and all administrative support and storage areas in a reasonably safe, clean, neat, orderly and attractive condition. Except as provided in Section 4.8 with respect to the Revenue Control System, Company shall keep all equipment used in Company's operations at the Airport, including all motor vehicles used by Company at the Airport, in good working order. Company shall collect and deposit daily all trash (except trash containing hazardous materials) into the trash dumpster provided by the Department at the Parking Administration Building. Company personnel will operate the city-provided equipment referenced in Sections 5.1 and 5.5 and Exhibit C. Company shall provide all custodial services necessary to keep the Parking Facilities in a reasonably safe, clean, neat, orderly and attractive condition. The City may direct Company to clean the third floor of the parking garage to mutually agreed upon standards. The Director shall be the sole judge of the quality of maintenance and cleanliness under this paragraph, and if the Director determines that the maintenance and cleanliness is not satisfactory, the Director shall so notify Company in writing, and such maintenance or custodial services required by the Director shall, to the extent reasonably possible, be performed by Company within five (5) days after Company's receipt of the Director notice. If Company fails to perform the maintenance or custodial services within five (5) days, the Department shall have the right, but not the obligation, to do so at Company's expense, without reimbursement.
- 4.20 **Casualties.** Company shall notify the Director, in writing, within one business day after the occurrence of any fire, flood, personal injury or other damage occurring within the Parking Facilities or Shuttle Bus operation. Company shall provide such additional information as

the Director may request.

- 4.21 **Compliance with Rules and Regulations.** Company and its officers, employees, guests, invitees, vendors and contractors shall observe, obey, and comply with all applicable rules, policies, procedures, and regulations of the City and the Department in effect during the term of this Agreement.
- 4.22 **Customer Assistance.** Company, at Company's expense without reimbursement, shall provide the personnel, equipment and supplies necessary to jump start motor vehicles, provide air for vehicle tires, and provide up to two (2) gallons of gas per vehicle located in any area at the Airport to Customers who are unable to operate their motor vehicles due to weak or dead batteries, deflated tires, or lack of fuel, respectively. Company is not obligated to provide any other mechanical service, but shall make reasonable efforts to resolve Customer's motor vehicle problems through assistance with communications or other means reasonably available. Company shall assist Customers who are unable to locate their motor vehicles.
- 4.23 **Coordination Between the City and Company.** Company shall send an executive level representative of Company from its home or regional office, who is familiar with the terms and conditions of this Agreement, to meet with the Department management staff not less than once every three (3) months throughout the term of this Agreement, and as reasonably requested by the Director. Company's executive level representative shall also be available as required to resolve any issue which cannot be managed by Company's local management. Company's cost to attend such meetings shall not be a reimbursable expense. Company shall participate in and actively support the City's processes for improving the quality of parking services provided to the public that may include, but not be limited to (a) participation in various work groups, (b) implementation of new services or parking products, or (c) initiating recommendations for improving the way the Department and the Company does business.
- 4.24 **Signage.** Company shall not install any signs in the Parking Facilities, the Premises, or elsewhere on the Airport (including in or about the plazas and booths) without the Director's prior written approval.
- 4.25 **Internal Control Structure.** Company shall maintain an internal control structure over all parking revenue and expenses to provide reasonable assurance that Parking Facility and Shuttle Bus System revenue, property, equipment and assets are safeguarded from loss or unauthorized use, that transactions are executed in accordance with Company's authority, and that financial records are maintained and are reliable for the purposes of preparing financial statements. The internal control structure shall be supported by (a) the selection, training, and development of qualified personnel, (b) an appropriate segregation of duties, (c) appropriate Company management review and oversight, and (d) the creation and dissemination of appropriate written policies and procedures.
- 4.26 **Ticket Supply.** The Company shall supply all ticket stock required to operate the Parking Facilities, as a reimbursable expense.
- 4.27 **Database Management.** The Company shall manage the parking customer electronic database and other data sources that may be implemented in the support of parking product initiatives, to include software and hardware support as may be necessary.

5. OBLIGATIONS OF CITY

- 5.1 **Parking Facilities and Equipment.** City shall install, repair, and maintain, at its sole cost, the parking garage, including the elevators; all Parking Facilities' paved surfaces (including striping and traffic markings); all Revenue Control Equipment; signs; ticket dispensers; toll booths and improvements thereto; and lighting (including re-lamping). The City may direct Company to perform such maintenance work to mutually agreed upon standards, and if the Company performs these tasks at the request of the City, its cost shall be a reimbursable expense.
- 5.2 **Maintenance of Revenue Control System.** Except as otherwise provided in Section 4.8, the Department shall be responsible to maintain, repair, and service the Revenue Control System.
- 5.3 **Premises.** The City shall provide office space in the Parking Administration Building for the Company's use to manage the Parking Facilities and Shuttle Bus System. The Department may at any time, upon sixty days' prior written notice to Company, substitute other office space reasonably comparable in size and amenities for Company's use. The Company may, with the Director's prior written approval and at Company's sole expense, reconfigure space as needed. Office space shall be set aside at each exit plaza for the Company's exclusive use. The City shall maintain and repair the windows, entry-ways, walls, floors, electrical systems, sprinkler systems, plumbing fixtures and heating, ventilation and air conditioning systems that serve the Premises.
- 5.4 **Employee Parking.** The City shall provide Company's employees parking, at no cost, in or around the Parking Administration Building and supervisory tollbooth offices or in a designated employee parking area established therefore by the Airport.
- 5.5 **Equipment and Supplies.** The City shall provide the equipment listed on **Exhibit C**. In the event that any of the equipment listed on Exhibit C is lost, damaged, or destroyed due the negligence or willful misconduct of Company, Company shall repair or replace (at the City's option) such equipment at Company's expense, without reimbursement. Company shall provide routine maintenance and replacement parts for City supplied equipment, as a reimbursable expense including operating supplies such as, but not limited to, journal tapes, ribbons and revenue control forms.
- 5.6 **City's Right to Repair Parking Facilities.** The City shall have the absolute right at any time to make any repairs to the Parking Facilities and the Airport, as well as the right to enter any parking areas and facilities for the purpose of so doing, free, with the exception of liability for damage to tangible personal property of the Company caused solely by the City's negligence, from any and all liability to Company for damages sustained by Company for whatever reason as a result of the making of any such repairs.
- 5.7 **Utilities.** The City shall provide the following utilities to the Parking Facilities and the Premises at the City's expense: electricity; water; sewer facilities; basic telephone service/cabling (dial tone); and one telephone instrument per full time equivalent, excluding cashiers, drivers and attendants.

6. PERSONNEL

6.1 **Managers.** Company shall assign a full-time Resident Manager, an assistant Resident Manager, and an Accounting Manager approved by the City to supervise all aspects of Company's obligations under this Agreement. The Resident Manager, Assistant Resident Manager, and Accounting Manager shall each be present at the Airport a minimum of forty (40) hours per week, usually during normal business hours. The Resident Manager and Assistant Resident Manager shall have the overall responsibility to assure Company's compliance with the terms of this Agreement. The Assistant Manager shall assist the Resident Manager in the supervision of all aspects of this Agreement, shall act as the Manager in the Manager's absence, and shall be present at the Airport usually at times when the Resident Manager is not present. The Resident Manager shall not have responsibility for managing any parking facilities or operations other than the Parking Facilities at the Airport. The Resident Manager and the Assistant Resident Manager shall have a shift overlap that permits them to communicate appropriately about parking operations. The Accounting Manager shall perform accounting duties to reconcile Daily Receipts, monitor and maintain the Frequent Parker on-line accounts and prepare monthly revenue reports or other such reports as necessary. The Director may, in his or her sole discretion, direct that Company appoint a new Resident Manager, Assistant Resident Manager, or Accounting Manager at any time during the term of this Agreement. The Resident Manager, the Assistant Manager, and the Accounting Manager shall meet the qualifications set forth in the job descriptions for their positions in the Procedures Manual.

6.2 **Staffing Schedule.**

- A. Company shall employ all persons necessary to operate the Parking Facilities in accordance with the Staffing Schedule. Company shall increase or decrease its staffing at such times, in such amounts and manner, and for such durations as directed by the Director. All personnel classifications, except for Inventory Attendants, shall be available to be on duty in the Parking Facilities twenty-four (24) hours per day each day of the year. Inventory attendants shall be present to perform the daily inventory during the midnight shift (12:00 a.m. -7:00 a.m.).
- B. If the Director, in his or her sole discretion, determines that there is additional need for staffing, Company shall supply such additional personnel at such time, in such amount and manner and for such duration as directed by the Director. All costs and expenses described in Sections 11.2.A and 11.2.B below associated with the addition of personnel pursuant to this Section 6.2.B shall be reimbursable under Section 11.4 upon the prior written approval of the Director.
- C. By the 20th day of each calendar month, the Company shall submit to City in writing, for the next ensuing month, recommended changes to the staffing levels proposed by the Company for the following job classifications, as set forth in the Procedures Manual:
 - Shift Supervisors
 - Assistant Shift Supervisors
 - Cashiers
 - Attendants
 - Inventory Attendants

- Shuttle Bus Drivers
 - Valet Attendants
- D. The City shall have the right to create new job classifications and establish new positions as may be necessary from time to time to meet the changing requirements of the parking operation. Job descriptions will be reviewed by the Director, and upon approval, incorporated into the Procedures Manual.
- 6.3 **Revenue Control System Training.** Company covenants that all personnel operating the Revenue Control System will be fully trained in the proper operation and use of the Revenue Control System and Revenue Control Equipment prior to their assumption of duties. All such training shall conform to the standards and requirements set forth in the Procedures Manual. Cashiers in training status may work alone in a booth only during non-peak exiting periods.
- 6.4 **Cashier Change Bank.** Company shall establish a Cashier's Change Bank with Company's funds in the minimum amount of Ten Thousand Dollars (\$10,000.00) which shall be the responsibility of Company to maintain throughout the Term of this Agreement.
- 6.5 **Removal of Employees.** Subject to Applicable Law and the terms of Company's collective bargaining agreements with its employees, if any, Company shall, upon written notice by the Director, immediately and permanently remove from the parking payroll and operation at the Airport any employee who violates Applicable Law at the Airport, violates Airport rules and regulations or Procedures Manual, possesses alcohol, illegal drugs or firearms at the Airport, is under the influence of alcohol or illegal drugs at the Airport, or whose behavior is the subject of multiple verified Customer complaints, or whose actions, in the opinion of the Director, are detrimental to the public interest at the Airport.
- 6.6 **Criminal History Checks.** All persons employed at the Airport are subject to criminal history background checks, and failure to pass the background checks will disqualify a person from employment at the Airport. Neither Company, nor any of Company's subcontractors, shall hire for any position under this Agreement, or retain in its employment hereunder a person convicted of larceny, burglary, theft, embezzlement, other crime of moral turpitude, or any other crime proscribed by applicable Transportation Security Regulations, within the prior ten years. For each employee or potential employee, Company shall (and shall require its subcontractors to) perform a ten (10) year criminal history check in Texas and shall exercise a good faith effort to perform a criminal history check in each other state of the United States where an employee or potential employee has resided within the last ten (10) years.
- 6.7 **Labor Laws.** Company shall comply with all Applicable Law concerning employment practices in connection with its operations under this Agreement, including, without limitation, the Fair Labor Standards Act, and shall pay all appropriate Federal and State employment and withholding taxes, and shall maintain records demonstrating compliance. To the extent provided by Applicable Law, all such records shall be available for inspection by the Director, at any time during reasonable business hours, for a period of no less than three (3) years after end of the year of the term of this Agreement to which such records pertain. If, prior to the expiration of the above-stated inspection period, any audit or investigation is commenced by the City, or any claim is made or litigation commenced relating to this Agreement by the City, Company or a third party, the records shall be

maintained, and the City shall continue to have the right to inspect such records in the manner stated above, until the audit, claim or litigation is finally resolved (including the determination of any and all appeals or the expiration of time for an appeal). This provision shall survive the termination of this Agreement. **Company shall indemnify and hold the City harmless against any civil or criminal liability arising out of the violation of applicable labor or employment laws by Company, or its subcontractors except to the extent the violation was caused at the City's express directions.**

- 6.8 **Employee Theft.** Company shall report to the City any actual or suspected occurrences of larceny, burglary, theft, embezzlement or other crime of moral turpitude by employees of Company or its subcontractors, or any allegations of employee dishonesty within twenty-four (24) hours after Company first has knowledge thereof, whether directly related to employment at the Airport or not.
- 6.9 **Uniforms and Badges.** All Company employees shall wear uniforms and identification badges at all times while on duty at the Airport. Company shall provide badges and uniforms in accordance with the Procedures Manual and approved in advance by the City. Company shall issue each employee assigned to this Agreement a Company identification badge. Company personnel are required to wear the identification badge at all times while on the work site. Failure to wear the identification badge may be cause for removal of an individual from the work site. The Company shall provide, as a reimbursable expense, nameplates for the cashiers to insert in a nameplate holder mounted on the exterior of the cashier booths. The letters in the nameplate shall be at least one inch in height and be of a color that contrasts with the background of the nameplate.
- 6.10 **Employee Compensation.** Company shall pay each person employed at the Airport under this Agreement a minimum wage no less than the living wage established by the City from time to time for City employees. The living wage in effect as of the Effective Date is \$11.00 per hour. The City shall provide Company written notice of any changes in the living wage. Company shall provide persons employed at the Airport under this Agreement the benefits described in **Exhibit D**.
- 6.11 **Employee Training.** Company shall develop and implement a comprehensive training program for its employees at the Airport. Such training shall include, but not be limited to:
- Customer Service
 - Vehicle Inspection
 - Shuttle Operation
 - Safety Equipment
 - Lift Operation
 - Radio Operation
 - Curbside Positioning
 - Shuttle Routes
 - Accident / Injury Forms & Procedures
 - Vehicle Fueling
 - Driving Tactics / Decision Driving
 - PARC Equipment
 - Lot Maintenance
 - Processing Transactions

- Cash Handling
- Credit Card Transactions
- Count Accuracy
- Ticket Training
- Non-Revenue Transactions
- Emergency Operations

7. PROCEDURES MANUAL

Company shall prepare and submit to the Director for his approval the Procedures Manual. Company shall operate the Parking Facilities and Shuttle Bus System in accordance with the Procedures Manual. The Procedures Manual shall, at a minimum, address the following topics:

- a. General operating procedures for the Parking Facilities and Shuttle Bus System,
- b. Shuttle Bus routes and Headways,
- c. Staffing Schedules,
- d. Customer relations,
- e. Cash handling, credit card handling, reconciliation and refund procedures,
- f. Procedures for alerting the City to maintenance problems,
- g. Employee job descriptions and guidelines,
- h. Employee financial responsibilities,
- i. Internal financial controls,
- j. Audit (both procedural and operational) procedures, including procedures for auditing each cashier at the end of each shift,
- k. Reports to the City,
- l. Handling of non-standard transactions,
- m. Handling of suspected and known employee theft,
- n. Emergency procedures,
- o. The role, responsibilities and duties of Company and its managers and staff under the ABIA Business Continuity Plan, and Incident Response Plan,
- p. A plan to transition management of the Parking Facilities to a another manager as seamlessly as possible in the event that another parking operator is selected to manage the Parking Facilities upon expiration or earlier termination of this Agreement,
- q. Procedures for the removal, towing and sale of abandoned and other vehicles,
- r. Cleaning and Maintenance Schedules,
- s. Nightly Vehicle Inventory Procedures,
- t. Procedures for servicing and maintaining the Revenue Control Equipment and Systems, including the respective roles and responsibilities of Company and the

Revenue Controls System Contractor,

- u. Ticket Inventory and Storage Procedures, and
- v. Such other matters as are to be included under this Agreement.

If the Director disapproves the Company's Procedures Manual, Company shall promptly make such corrections as directed by the Director and submit a revised document. All procedures and standards shall, in the reasonable discretion of the Director, be subject to reasonable changes at any time. The City, at its sole discretion, may amend, or require Company to amend, the Procedures Manual periodically. The City shall be the sole judge of Company's compliance with Procedures Manual. Distribution of the Procedures Manual will be limited and controlled as directed by the City. Company shall prepare and distribute to its employees extracts and summaries of the Procedures Manual relevant to the particular job functions for operation of the Parking Facilities and Shuttle Bus System. The Procedures Manual is the property of the City, but nothing herein shall preclude Company from re-using or distributing those portions of the Procedures Manual that were developed by Company and not modified by the City.

8. PARKING FEES AND RATES; PARKING REVENUES

- 8.1 **Determination of Parking Fees and Rates.** The Parking Fee Schedule shall be established by the City and shall be subject to change by the City, at its sole discretion, upon ten (10) days written notice to Company. Company shall charge Customers only those rates which are established from time to time by the City. Company shall not permit complimentary use of parking spaces except in accordance with the Parking Fee Schedule or written authorization from the Director.
- 8.2 **Holding Monies.** The Company shall collect parking and other fees from Customers in accordance with the Parking Fee Schedule, and shall hold in trust for and on behalf of the City all such monies. The Company shall promptly deposit all monies and credit card receipts into a City-designated bank account daily, on Monday after weekends, and the next business day following bank holidays, or other schedule set by the City. It is Company's responsibility to protect parking revenues and to operate efficiently within the Revenue Control System established by the City.
- 8.3 **Overcharges and Undercharges.** If Company charges any Customer an amount greater than that authorized in the Parking Fee Schedule in effect at the time, the amount by which the actual charge exceeds the authorized rate shall constitute an overcharge which Company shall, if possible, promptly refund to the Customer, or otherwise shall be deposited in the City's bank account. Refunds of overcharges will be handled in accordance with the Procedures Manual. The amount of any such refund issued by Company from Company funds shall be a reimbursable expense under Section 11.4, provided that (a) Company provides substantiating evidence of such refund to the City and (b) the amount of the overcharge had previously been deposited by Company in the City's bank account. Except in cases that the Director determines are caused by an error or omission of the Department, or a computer or other equipment malfunction, whenever (a) Company charges any Customer a price which is less than that required under the Parking Fee Schedule, (b) Company fails to collect any parking fee which Company is required to collect, or (c) any fees which Company is required to collect on behalf of City are lost or

unaccounted for while the same are in the custody or control of Company for any reason whatsoever, then the amount by which the actual charge is less than that required under the Parking Fee Schedule, the amount of the fee which Company failed to collect or the amount which is lost or unaccounted for, shall, without demand by the City, be paid by Company into the City's designated bank account within two (2) business days after Company learns (or, in the exercise of reasonable diligence, should have learned) of such undercharge, failure to collect, or such loss or failure to account, and the cost of replacing such funds shall not be a reimbursable expense. Company shall promptly investigate each undercharge, failure to collect, loss or failure to account for any funds hereunder, and promptly provide to City a written report of the results of the investigation. Company shall not be required to reimburse the City for funds which are not collected as a result of the extension of credit to a Customer in strict accordance with written policies approved by the City including policies regarding collection of receivables.

- 8.4 **Losses.** If Daily Receipts or Gross Receipts are lost, stolen, or otherwise unlawfully removed from the custody and control of Company, Company shall continue to be responsible therefor, and shall deposit in the bank designated by the City, from Company's own funds, a like sum of monies within forty-eight (48) hours of discovery of the loss, theft, or unlawful removal. If the loss, theft, or unlawful removal is insured or otherwise secured by Company, any payments made to the City by such insurance company, bonding company, or other, shall be reimbursed to Company to the extent of such insurance proceeds or security deposit.

8.5 **Credit Cards.**

- A. Company must accept at a minimum MasterCard, Visa, and American Express from Customers in payment for parking at the Airport. Company shall provide credit card processing services, and the cost of such credit card processing services is a reimbursable expense.
- B. Company shall implement the necessary policies, procedures and technologies to achieve Payment Card Industry Data Security Standards (PCI DSS) compliance. These responsibilities include:
- 1) Meeting the current requirements of the PCI DSS and any future revision.
 - 2) Requiring by contract that engaged third parties meet all PCI security standards.
 - 3) Working with Independent Scan Vendor.
 - 4) Protecting confidential data.
- C. **COMPANY SHALL BE LIABLE FOR AND INDEMNIFY AND HOLD THE CITY HARMLESS FROM ALL LOSSES, DAMAGES, CLAIMS AND LIABILITY ARISING OUT OF ANY BREACH OF PCI DSS, EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY.**

9. COMPENSATION

9.1 **Management Fee**

- A. The City shall pay to Company a fixed management fee (the "Management Fee") as compensation to Company for its services under this Agreement. The Management Fee shall cover Company's profit, corporate administrative, operating and overhead expenses, and any other Company expenses incurred in the operations described in this Agreement that are not reimbursable under Section 11. The City shall pay the Management Fee to Company in equal monthly installments in arrears, along with reimbursable expenses as provided in Sections 11.2 and 11.4. If the term of this Agreement commences or ends on any day other than the first and last day, respectively, of a calendar month, the Management Fee due hereunder for a portion of such month shall be prorated based upon the actual number of days in the month. The Management Fee payable to the Company shall be as follows:

<u>CONTRACT YEAR</u>	<u>ANNUAL MANAGEMENT FEE</u>
1	\$ 419,988
2	\$ 432,588
3	\$ 445,565
4	\$ 458,932
5	\$ 472,700
Option Year 1*	\$ 486,881
Option Year 2*	\$ 501,488

* If exercised by the parties.

- B. Notwithstanding any other provision hereof, the City shall have the right to set off and deduct any amounts due to the City from Company under this Agreement from the Management Fee or reimbursable expenses payable by the City to Company.
- C. The Management Fee is fixed and shall not be adjusted for any change to, alteration of or addition to the Parking Facilities or Company's other responsibilities under this Agreement, except by contract amendment signed by both parties.

9.2 Incentive Fee.

- A. To encourage Company to strive for superior performance under this Agreement, Company shall be entitled to receive, as additional compensation, an annual incentive fee ("Incentive Fee") if Company successfully meets specified performance goals. The maximum amount of the Incentive Fee for any Contract Year shall ten percent (10%) of the fixed Management Fee for such Contract Year. The Incentive Fee will be calculated at the end of each contract year based on a 100 point scale. If 100 points are awarded, the maximum incentive will be paid. If less than 100 points are awarded, the incentive fee shall be reduced proportionately.

- B. The Parties shall meet annually no later than the 90th day before the end of each Contract Year to determine the performance measures and associated point value of each for the following Contract Year. The performance measures and their respective point values shall be in writing, and when signed by both parties, shall be incorporated into and made a part of this Agreement. If the Parties are unable to agree upon performance measures and their associated point values by the 60th day before the end of a Contract Year, the Director may unilaterally develop and implement performance measures for the following Contract Year.
- C. Depending on the degree to which Company achieves the performance measures in any Contract Year, Company may be awarded all, none, or any part of the Incentive Fee. Company shall be responsible to document its achievement of the performance measures and eligibility for Incentive Fees for each Contract Year. Within sixty days after the end of each Contract Year, Company and the Department shall meet to review Company's performance and consider the amount of incentives, if any, earned for such Contract Year. If Company and the Department are unable to agree upon whether Company's met the applicable performance measures, or the amount of the Incentive Fee earned for such Contract Year, the decision of the Director shall be final.
- D. Company shall distribute at least one-half of the Incentive Fee earned in any Contract Year to its managers, contractors, and employees at the Airport in a manner deemed by Company to best reward past good performance and encourage future good performance.

10. LIQUIDATED DAMAGES

The parties acknowledge that failure by the Company to perform certain of its obligations under this Agreement will cause damages to the City that would be difficult to quantify. Therefore, it is agreed that the City, for the respective specific violations or omissions of the Company described below, may assess liquidated damages, as listed herein. Liquidated damages shall not be deemed to be a penalty, and shall be deducted from the Management Fee payment due the month following the date the liquidated damage is assessed. The provisions of this Section shall not preclude the City from exercising any other right or remedy available to the City for breaches of this Agreement by the Company. Liquidated Damages shall be assessed for the following:

- 10.1. **Unaccounted-for Transactions:** Unaccounted-for transactions in a month shall be calculated by adding the number of vehicles parked in the facilities at the start of the month to the sum of the number of tickets issued during the month, the number of credit card-in entries during the month and the number of PPP-in entries during the month, and subtracting the sum of tickets collected during the month, the number of credit card-out exits during the month, the PPP-out exits during the month and the number of vehicles parked in the facilities at the end of the month. Documented unused tickets during the month, such as system test tickets and damaged tickets, shall be subtracted from the tickets issued when performing this calculation. Company shall pay to the City the following liquidated damages for each unaccounted-for transaction:

<u>UNACCOUNTED FOR TRANSACTIONS AS A PERCENTAGE OF TOTAL TRANSACTIONS</u>	<u>CHARGE PER TRANSACTION (IN RANGE)</u>
Less than or equal to 0.2%	No Damages
0.2% to 0.4%	\$5.00
0.4% to 0.6%	\$10.00
0.6% to 1.0%	\$15.00
More than 1.0%	\$20.00

10.2 **Failure To Timely Submit Reports And Deliverables:** The failure of Company to submit any report or deliverable required under this Agreement by the third business day after the due date (as specified herein, or as extended in writing by the Director) shall result in the imposition of liquidated damages, as follows:

Any Audit Report required under Section 14	\$250 per day
Monthly Reports (§11.1)	\$100 per day
Certificates of Insurance (§17.8)	\$100 per day
Performance Bond/Letter of Credit (Section 19)	\$100 per day
Other reports and deliverables	\$100 per day

10.3 **Violations of Procedures Manual, etc.** If the Department determines that Company has failed to (a) comply with any material provision of the Procedures Manual (Section 7), (b) properly provide the maintenance and custodial services under §4.20, (c) properly maintain the Revenue Control Equipment under Section 4.8, or (d) comply with Airport Rules and Regulations (Section 4.21), the Department may send a written Notice of Violation to Company. If Company either denies that the violation occurred, or asserts that the violation was the result of an event of force majeure, it shall send written notice to the Director within ten (10) days of receipt of the Notice of Violation. The Director shall make the final determination on all Notice of Violation protests in good faith. Commencing with the third and each subsequent unexcused Notice of Violation issued within any rolling twelve month period during the term of this Agreement, liquidated damages shall be imposed in the amount of \$100 per Notice of Violation.

11. BUDGET AND REIMBURSEMENTS

Company shall prepare and submit its annual operating Parking Facility and Shuttle Bus operations budgets in coordination with the City's fiscal year, which commences on October 1 of each calendar year. Budget planning and preparation shall begin not later than February of each year, with the proposed budget submitted by Company to the Director not later than April 1st. Budget amendments must be approved by the Director in writing to be effective.

11.1 **Monthly Report.**

- A. Company shall prepare and submit a monthly report to the Director by the 20th of each calendar month with projected costs of maintaining and operating the Parking Facilities and Shuttle Bus System for the following month based on the

staffing levels established in accordance with Section 6.2. The form of the monthly report shall be reasonably satisfactory to the Director. Adjustments may be made between budgeted Line Item accounts by written request and approval of the Director. The same categories of personnel and operating costs used in the annual budget shall be itemized in the monthly report as follows:

- 1) Salaries and wages,
 - 2) Employee Benefit Costs,
 - 3) Equipment, Supplies, and Services,
 - 4) Uniform service,
 - 5) Badges,
 - 6) Cleaning supplies,
 - 7) Personnel training costs,
 - 8) Shuttle bus operations,
 - 9) Credit card processing fees,
 - 10) Third party contractual services, and
 - 11) Other items determined by the City in consultation with Company.
- B. Approved monthly expense amounts shall constitute the maximum payable for each category of expenditure, except for special items approved in advance in writing by the City.
- C. No wages for hours of coverage provided by Company in excess of the coverage specified by the City shall be reimbursed unless approved by the Director.

11.2 **Reimbursable Expenses.** Subject to all of the terms and conditions of this Agreement, the City shall reimburse Company for the following costs and expenses as actually incurred and paid by Company in the management and operation of the Parking Facilities and Shuttle Bus System, up to the amount of the applicable Operating Budget as described above.

- A. Base payroll costs, including regular salaries and wages (including sick days, vacations and holiday pay), employee incentives, and overtime;
- B. The cost of employee benefits, including FICA and State Unemployment, Federal Unemployment, 401-K expenses, retirement benefits, health, dental and life insurance, and worker's compensation insurance incurred and paid by Company on behalf of employees employed by Company at the Airport only;
- C. The cost of licenses, permits and fees associated therewith obtained in accordance with Section 16 (excluding drivers' licenses for operators of motor vehicles), pre-employment testing, criminal history checks, local personnel recruiting expenses to include advertising for recruits, local cellular telephone service for up to two (2) cellular telephones;
- D. The reasonable cost of necessary and appropriate training for Company employees working at the Airport;

- E. Maintenance and repair costs for cash registers, cashier booths and cashier stools;
- F. The cost of all Revenue Control Equipment operating supplies such as journal tapes, ribbons, revenue control forms, computer printouts of license plate inventories and other similar supplies;
- G. Office supply costs, including the cost of copier supplies and postage;
- H. The cost of cones, flags, flashlights, office janitorial supplies, stools for cashier booths, name plates for cashier booths, and the cost of forms and printing;
- I. The cost of uniforms;
- J. The cost of providing an independent outside annual certification (audit) of revenues and expenses as required by Section 14.3, and the cost of obtaining an independent Service Auditor's Report on Controls under Section 14.5;
- K. Shuttle Bus Costs;
- L. Credit Card Processing Fees;
- M. The cost of third party armored car and revenue depository service; and
- N. Amounts paid to third parties for marketing expenses under Marketing Plans approved by the Director, including, the cost of media purchases (less rebates or discounts), market research, printing, logo licensing, promotional items, and production.
- O. The cost to operate and maintain the "SMART DRIVE" system, if installed.

11.3 **Non-Reimbursable Expenses.** Notwithstanding any provision in Section 11.2 to the contrary, the following are not reimbursable expenses:

- A. Salaries, costs and expenses of non-resident or corporate office legal, internal audit, administrative, bookkeeping, and executive personnel of Company;
- B. Home office travel and accommodations, home office and local entertainment and off-site general office expenses;
- C. The costs or expenses of legal representation or of union negotiations and administration;
- D. The cost of acquisition of any long distance telephone service or any cellular telephones other than that authorized in the above Section 11.2.C;
- E. The cost of internet service or access;
- F. The cost of obtaining and maintaining a cashier change fund pursuant to Section 6.4;
- G. Any or all liquidated damages, penalties and fines paid by the Company and its employees;
- H. Financing costs associated with Company's Change Fund;
- I. Amounts payable by Company to City under the indemnification provisions hereof;

- J. The cost of the Performance Bond or Letter of Credit which Company is required to obtain in accordance with the provisions of Section 19 below and the cost of the insurance Company is required to provide in accordance with the provisions of Section 17 below, except for worker's compensation insurance;
- K. The cost to purchase, operate and maintain Company's service vehicles, as described in Section 4.17B;
- L. The cost of acquiring jump start units and tire inflation equipment;
- M. The cost of acquiring office equipment, furniture and computers;
- N. The cost of repairs for damages caused by negligence, willful misconduct, or omissions of Company or its employees;
- O. The cost of fuel Company uses on disabled Customer vehicles;
- P. The cost (including travel expenses) of meetings between executive level representatives of Company and City management staff incurred pursuant to Section 4.23; and
- Q. The cost of providing secondary procedural audits and other internal audits performed by Company managerial or corporate staff, as required by Section 14.4 and in accordance with the Procedures Manual.

11.4 **Reimbursable Non-Budgeted Expenses.** Subject to all of the terms and conditions of this Agreement, the City shall reimburse Company for non-budgeted costs and expenses actually incurred and paid by Company in the management and operation of the Parking Facilities as described below, subject, except as otherwise provided below, to the prior written approval of the Director in each instance.

- A. The cost, as agreed upon by the City, of any additional insurance policies, coverages, or increased limits of liability City requires Company to provide pursuant to Section 17.10.A below;
- B. All base payroll costs, including regular salaries and wages, sick days, vacation and holiday pay, employee incentives, new employee training (local), overtime, and all associated employee benefits as described in Section 11.2. above incurred by Company pursuant to Section 6.2.B above; provided, however, that the hourly wages for any individual employee added shall be within the wage ranges for the position such employee is filling as set forth in the Procedures Manual;
- C. The cost of refunds issued by Company pursuant to Section 8.3 to the extent made reimbursable under that Section;
- D. Costs of materials used in maintenance, repair and servicing of the Revenue Control System as authorized pursuant to Section 4.8;
- E. Costs incurred in moving vehicles in an emergency or at the Director's request (if not collectible from the owner or operator of the vehicle after reasonably diligent efforts) as provided in Section 30;
- F. Costs resulting from the addition by the City of any parking facility or operation to the Parking Facilities;

- G. The cost of obtaining an independent (third-party) operational audit pursuant to Section 14.2;
 - H. Costs incurred in the operation of any Temporary Parking Facility; and
 - I. Costs incurred in such other additional activities as the Director shall, in writing, direct Company to undertake hereunder; for which payment is due before a budget amendment can be submitted and approved.
- 11.5 **Invoice.** Company shall pay all costs and expenses connected with its operations when due. Company shall submit to the City, on or before the twentieth (20th) day of each month, itemized statements of all approved reimbursable expenses incurred and paid during the previous calendar month. Each such statement shall be accompanied by complete supporting documentation, proof of charges and disbursements, and other supporting documents as the City may from time to time request, including, but not limited to, paid invoices, payroll records, vehicle service records, paid checks and required ACDBE subcontractor reports.
- 11.6 **Purchases from Affiliates.** Company shall be entitled to reimbursement for the cost of goods and services purchased from an affiliated company, (i.e., a company which it controls, is controlled by or is under common control with) only to the extent Company has complied with the requirements of Section 4.9 and Section 20, and is able to demonstrate to the satisfaction of the Director that the prices for such goods and services are no greater than the lowest price available for comparable goods and services. Company must expressly identify all transactions with an affiliated company on its monthly itemized statement.
- 11.7 **Reimbursement of Budgeted Expenses.**
On or before the twentieth (20th) day of each month, Company shall submit to the City a written report of all approved expenses incurred and paid in the operation of the Parking Facilities and Shuttle Bus System for the preceding month of operation. Reimbursement of the expenses under Section 11.2, shall be made by the City within thirty (30) days of its receipt from Company of monthly itemized statements submitted pursuant to Section 11.5 provided that (i) the statements are in the format required by the City; (ii) all appropriate supporting documents are attached to each statement; and (iii) the statement contains a statement that the City has not previously reimbursed Company for any of the itemized costs and expenses.
- 11.8 **Reimbursement of Authorized Non-Budgeted Expenses.** Reimbursement of the costs and expenses under Section 11.4 shall be made by the City within approximately thirty (30) days of its receipt from Company of monthly itemized statements provided that (i) the costs and expenses are approved as required by Section 11.4, (ii) the statements are in the form required by the City, (iii) the statement contains a statement that the City has not previously reimbursed Company for any of the itemized costs and expenses, and (iv) all appropriate supporting documents are attached to each statement.
- 11.9 **Objections to Invoices/Payment.** The City shall notify Company in writing of its objection to any item or items of expense which it deems to be non-reimbursable. Any such notice shall set forth the nature of the City's objection and shall be accompanied by the City's payment of the undisputed portion of such statement. If a disputed item is justified to the

reasonable satisfaction of the Director, it shall be promptly approved and paid.

- A. *Interest on Late Payments.* If the City does not timely pay a Contractor invoice as provided above, interest shall accrue on the unpaid balance at the interest rate stated in Texas Government Code Section 2251.025.
 - B. *Subject to Appropriations.* The City's payment obligations are payable only and solely from funds appropriated and available for the purpose of this Agreement. The absence of appropriated or other lawfully available funds shall render the Agreement null and void to the extent funds are not appropriated or available. The City shall provide Company written notice if the City fails to make an adequate appropriation for any fiscal year to pay the amounts due under this Agreement, or reduces any appropriation to an amount insufficient to permit the City to pay its obligations under this Agreement.
 - C. *Additional Sums Due the City.* If the City has paid any sum or sums or has incurred any obligation or expense for which Company has agreed to pay or reimburse the City, or if the City is required or elects to pay any sum or sums or incurs any obligation or expense because of the failure, neglect or refusal of Company to perform or fulfill any of the terms or conditions of this Agreement, then the City may set-off and deduct such amount from any amounts due Company under this Agreement. If the amount owed the City exceeds the amounts available for set-off, Company shall, immediately upon demand by the City, reimburse the City for the cost thereof. Any sum due from Company to the City under the provisions of this Paragraph shall bear interest at the rate stated in Section 11.10 from the due date thereof until paid in full.
- 11.10 **Late Payment:** If any payment required to be paid to the City hereunder by Company is not made when due, Company shall pay the City a late payment penalty equal to five percent (5%) of the amount due. Thereafter, interest shall accrue on all late payments at the lesser of one percent (1.0%) per month or the highest amount permitted by law per month on the amount outstanding for more than thirty (30) days from the payment due date.

12. MARKETING PROGRAM AND COMPENSATION

- 12.1 **Parking Marketing Services.** Company shall provide the following services:
- A. *Marketing Plan.* Provide to the Director for approval a general Parking Products Marketing Plan ("Marketing Plan"), with approximate budgets, aimed at marketing the Airport On-Site Parking Products. The marketing budget shall be set as provided in Section 11. The Marketing Plan shall be updated annually, by October 1st of each successive Contract Year. The Marketing Plan shall include the following information below for EACH PARKING PRODUCT, to detail all components and execution and budget of the Company's recommended marketing strategies:
 - 1) Product or event description;
 - 2) Marketing objectives;

- 3) Market research data (if available) to support the endeavor;
 - 4) Target audience(s);
 - 5) Listing of campaign elements, such as ads, print pieces, E-marketing, TV commercial, and banners;
 - 6) Deliverables and the timeline for submission to the Director;
 - 7) Aviation Department supplemental assistance, such as advertising trade, publicity, and use of Web site;
 - 8) Budget for media buy;
 - 9) Aviation trade enhancements;
 - 10) Proposed fee structure, and the estimated fees for creative execution;
 - 11) Budget for printing and other third party costs;
 - 12) Evaluation methodology; and
 - 13) Other elements to convey marketing planning for each Parking Product
- B. *Market Research.* Company shall plan, manage, create survey instruments, recommend methodology, execute, analyze, compile, report and present to Airport market research as requested in writing by the Director.
- C. *E-Marketing.* The Company shall utilize, where appropriate, the emerging marketing opportunities being presented by social websites, web video, iPod applications and other electronic media to communicate with the target market. Company shall comply with all laws, rules and regulations applicable to customer E-Marketing initiatives.
- D. *Account Service and Media Purchases.* Company shall provide Account Service and Media Purchases for parking marketing strategies as approved in writing by the Director in accordance with:
- 1) The approved Marketing Plan;
 - 2) As required by the Director;
 - 3) Additional approved plans recommended by Company.
- E. *Authorization Procedures for Creative Direction and Collateral.* Prior to public execution of strategies by Company, the Department must approve in writing purchase summaries and creative strategies to implement the campaign.
- F. *Design Standards.* Company shall observe and comply with the Airport identity design standards that are in place for use of Airport logo and on-Airport and in-terminal signs.

12.2 **Deliverables.**

- A. Company shall provide a monthly Marketing Services Budget, including a matrix for each Product or event to be marketed not less than 45, nor more than 90 days, prior to each campaign kick off, to include:

- 1) Media buys planned,
 - 2) Creative strategy costs,
 - 3) Trade purchases,
 - 4) Department resources needed,
 - 5) Reimbursable Third party costs, and
 - 6) Other costs.
- B. Affidavits to demonstrate media buys purchased actually ran, including make goods for pre-empted advertising spots, proof of performance (post analysis indicating percentage of target market reached) (monthly);
 - C. Any Advertising evaluation reports as measured by Company or independent party (periodic);
 - D. Other Company substantive information important to determining success of marketing campaigns;
 - E. Other information or documentation that are required to be provided to the Department under a Marketing Plan; and
 - F. Such other reports related to the Marketing Program that the Director may request.
- 12.3 **Marketing Program Evaluation.** The Director shall evaluate the success of Company's marketing endeavors to promote Airport's parking products and services to modify, delete, or continue marketing campaigns for each product.
- 12.4 **Coordination With Department Of Aviation Internal Resources.** Marketing of Airport parking is not an exclusive right granted to Company. The Department may, in its discretion, elect to enhance or replace Company's parking marketing efforts using its own resources. Company shall cooperate with the Department and coordinate Company's Marketing Program with the Department's own marketing efforts, including trade buys to supplement the media purchases.
- 12.5 **Reimbursement:** The City shall reimburse Company for marketing service expenses as provided in Section 11.
- 12.6 **Miscellaneous.**
- A. *Correction of Errors.* Errors or mistakes made by Company or an advertising agency shall be corrected by party responsible for such error or mistake at its cost.
 - B. *Creative Ownership.* All creative work and materials developed by Company shall be owned by the Department, and may be used, or re-used for any purpose, including, entrance into airport marketing campaign competitions, with appropriate reference to the subcontractor(s) for work credit.

13. OPTIONAL PARKING PRODUCTS AND SERVICES

- 13.1 **New Products and Services.** During the term of this Agreement, the Department may elect to add new or enhanced parking products and services ("New Services"). New Services may include, but not be limited to, reserved parking, dedicated VIP parking areas,

contract parking, pay-on-foot capability, providing covered parking, car washing and detailing, and oil and lube services.

- 13.2 **Procedure.** If the Department elects to add one or more New Services, it shall notify Company in writing and the parties shall meet to determine the necessary scope of work, changes in procedures if any, and the cost and budgetary impact. Company shall implement the New Services upon written direction from the Director; provided, however, Company, shall not be required to implement any New Service that would require Company to expend its own funds or to incur any expenses which are not reimbursable under Section 11, without Company's written consent. Implementation of New Services shall not entitle Company to an increase in Company's Management Fee.

14. AUDIT

- 14.1 **City's Audit Rights.** Company shall, at all times during the term hereof, maintain at the Airport complete and accurate books and records of its operations on the Airport in a form consistent with good accounting practices, including such books and records as would normally be examined by an independent certified public accountant in performing an audit or examination of Company's receipts and expenses in accordance with generally accepted auditing principles. If any books and records required by the City for examination or audit are not available at the Airport, Company shall deliver such information to the City within ten days of written demand, or Company shall pay all travel, lodging, meal and other expenses incurred by the City's auditor to examine such information at the location where Company keeps such books and records. Such books and records shall contain an itemized record of all receipts collected in connection with Company's operation of the Parking Facilities, of all other receipts, if any, derived by Company from its operations on the Airport, and of all expenses incurred in performing its obligations hereunder, in such detail as the City may request. All printed records produced by the Revenue Control System or Revenue Control Equipment shall be the sole property of the City, and Company shall have no access to the printed records console to make repairs, alterations or adjustments, except in the presence of the representative of the City designated by the Director for such purpose. All such books, records, supporting documents, and accounts shall be kept in accordance with generally accepted accounting principles and shall be available for inspection by the Director and his duly authorized representatives, at any time during reasonable business hours, for a period of no less than three (3) years after the end of each Contract Year (or, with respect to any year in which this agreement is terminated prior to the expiration thereof, the portion of such Contract Year) to which they pertain. The City shall further have the right, upon reasonable written notice to Company, to cause an audit to be made of the books and records of Company which relate to its operations at the Airport for any or all of the Contract Years (or, with respect to any year in which this agreement is terminated prior to the expiration thereof, the portion of such Contract Year) which ended no more than three (3) years prior to the date of the commencement of such audit. If, prior to the expiration of the above-stated record retention period, any audit or investigation is commenced by the City, or any claim is made or litigation commenced relating to this Agreement by the City, Company or a third party, the records shall be maintained, and the City shall continue to have the right to inspect such records in the manner stated above, until the audit, and any resulting claim or litigation is finally resolved

(including the determination of any and all appeals or the expiration of time for an appeal). If, as a result of an audit, it is established that Company is liable to the City for the payment of any sum, Company shall within ten days of receipt of written demand from the City, pay such sum to the City, together with interest thereon at the rate set forth in Section 11.10., from the date such sum should have been paid. Further, if such audit establishes that Company has overstated its reimbursable expenses by two percent (2%) or more or understated Gross Receipts by one percent (1%) or more, for any twelve-month or other audited period, in connection with the Company's operation of the Parking Facilities or Shuttle Bus System, then the entire expense of such audit shall be borne by Company and not be considered a reimbursable expense. The City's rights under this paragraph shall survive the expiration or earlier termination of this Agreement. The City's audit rights under this Section shall apply equally to any subcontractor to Company in the performance of Company's duties under this Agreement, and Company shall ensure the City's audit rights are preserved by inserting these terms and conditions in Company's subcontracts.

- 14.2 **Operational Audit.** The Director may direct the Company at any time to obtain an independent audit of Company's procedures for handling its operations pursuant to this Agreement and in accordance with the standards defined in the Procedures Manual (an "Operational Audit"). The audit shall be performed by a qualified auditor or parking consultant. Selection of auditor or consultant and scope of work, objectives, methodology, audit schedule and estimated costs of the audit must be pre-approved by the Director or his designee in writing. If so approved in advance, the reasonable cost of an Operational Audit shall be a reimbursable expense under Section 11.4. Such audits shall be completed within two (2) months after the Director's request, or as otherwise specified in notice directing the Operational Audit. Upon completion of an Operational Audit, the auditor shall file with the Department a written statement in a format approved by the Director summarizing the audit and the results thereof. The Company shall provide a written response, to the auditor and to the Department, within ten (10) days, for any report findings and recommendations. Upon request of the Director, the Company shall meet with the Director to discuss the results of an Operational Audit.
- 14.3 **Annual Certification of Revenues and Expenses.** Within ninety (90) days after the close of each Contract Year (or termination of this Agreement, if the Agreement is terminated prior to the expiration of a Contract Year), Company shall provide to the City a written report of an independent certified public accountant (CPA) licensed to practice in the State of Texas certifying (a) the actual amount of Gross Receipts required to be collected by Company hereunder and the amount of Gross Receipts actually collected, (b) the actual amount of any other revenue which Company is required to collect and the amount of all such revenue actually collected, and (c) the actual amount of reimbursable expenses to which Company was entitled for such year or portion thereof and the amount of such expenses Company actually received. The Company's independent CPA shall certify that the report has been prepared in accordance with generally accepted auditing standards and the terms and provisions of this Agreement. If such report indicates that the reimbursable expenses for such period have been underpaid, then the amount of such underpayment shall be added to the fees next due and owing to Company, unless the term hereof has expired in which event such amount shall be promptly refunded by the City to Company. If such report indicates that any Gross Receipts collected or required to be collected by Company hereunder has not been deposited into the bank account

designated by the City for such purpose, Company shall forthwith pay to the City a sum equal to the difference between the amount of the Gross Receipts deposited and the amount of Gross Receipts which should have been deposited together with interest at the rate stated in Section 11.10. from the date such amount was underpaid. In addition, if such report indicates that any fees or other reimbursable expenses for such period have been overpaid, then Company shall forthwith pay to the City a sum equal to the amount of such overpayment together with interest at the rate stated in Section 11.10. from the date such amount was overpaid. Additionally, if the annual certification audit establishes that Company has overstated its reimbursable expenses for the period audited by two percent (2%) or more, or understated Gross Receipts by one percent (1%) or more, then the full cost of the annual certification shall be borne by the Company and shall not be considered a reimbursable expense. The City's rights under this section shall survive the expiration or earlier termination of this Agreement.

- 14.4 **Secondary Procedural Audits.** Company shall cause audits of its accounting and operational procedures under this Agreement to be performed by an internal auditor from Company's home office. These audits shall be performed at least quarterly during each year of this Agreement, in accordance with the standards defined in the Procedures Manual. These audits shall include quarterly on-site field survey and ticket audits by internal auditors from Company's corporate office; audits of credit card activity, retrieval and charge-backs; timecard audits; operational and compliance audits; and other audits as necessary or as directed by the City, and in accordance with the Procedures Manual. Upon completion of each such audit, the auditor shall file with the City a written statement in a format approved by the City, stating when the audit was performed, the time period covered by the audit, the scope and methodology of the audit, and audit findings, conclusions and recommendations, including, as appropriate: the accuracy of Company's accounting of the receipts and deposits, the accuracy of exception transaction verifications performed on site, the accuracy of ticket accountability, the accuracy of Company's reports, including, without limitation, reports with respect to levels of staffing and adherence by Company to the terms and conditions of this Agreement. Such audits shall also confirm that all reimbursable expenses paid by the City were due and payable under the terms of the Agreement. The Company shall file a written response to the auditor and to the Department, within ten (10) days, for all audit reports containing one or more findings or recommendations for improvement, stating what actions will be taken by Company, and when, to correct any deficiencies or implement necessary improvements.
- 14.5 **Service Auditor's Report on Controls.** Company shall obtain and provide the City a *Service Auditor's Report on Controls Placed in Operation at a Service Organization and Tests of Operating Effectiveness* for Company's operations at the Airport within ninety (90) days after each Contract Year under this Agreement, or as otherwise directed in writing by the Director. This audit shall be conducted and reported by an independent certified public accountant (CPA) licensed to practice in the State of Texas and shall be completed in conformity with the standards established by the American Institute of Certified Public Accountants (AICPA). The audit report shall include detailed testing of controls and their operating effectiveness.

15. TELECOMMUNICATIONS SERVICES

- 15.1 **Voice, Data and Video Cabling:** City has installed a Premise Distribution System ("PDS"), consisting of copper and fiber optic cables, that spans the Airport campus. The Company shall procure and install all equipment, conduit and other hardware necessary to connect the Premises to the PDS. Wiring will be installed by City. All external telecommunications providers shall terminate at the demarcation point located in the City's Communications Center. Company shall use the PDS.
- 15.2 **Telephone Services:** The City will provide to Company one telephone per approved full-time employee, excluding cashiers, drivers, and attendants, for use in its offices at the Airport and the City shall pay the cost of all local telephone service incurred in the use of such telephones. All long distance and other telephone charges incurred by Company shall be paid by Company and shall not be a reimbursable expense. City has installed a Shared Tenant Service telephone system ("STS") to serve the airport campus. Telephone service is available through the STS to all Airport tenants. Company may elect to install its own telephone system, and if so, must provide, at its sole expense, and not as a reimbursable cost, its own switches, instruments and other equipment necessary to interface via the PDS to the Airport telecommunications demarcation point located in the Airport Communications Center. Company shall not enter into any telephone agreement which might impede City's plan to declare a Minimum Point of Entry, designate the demarcation point, or the implementation of STS.
- 15.3 **Data Communications Service:** The PDS carries data transmission services throughout the Airport site. All data transmission and switching equipment used must comply with City's specifications. Shared Tenant Services shall include data transmission lines (Frame Relay, ISDN, and T1) or Company may choose to use the PDS to connect to an alternate provider at the demarcation point.
- 15.4 **Invoicing and Payment:** Company must apply for and sign the Airport Shared Telephone System Terms of Usage. Company understands that it will be billed monthly for its long distance telephone charges under this section.
- 15.5 **Internet Access.** The City does not provide internet access to its contractors or concessionaires. Company must contract with an internet service provider of its own choosing as a non-reimbursable expense.

16. LICENSES, PERMITS AND TAXES

The City shall report and pay State of Texas sales and use taxes assessed on revenue received from parking operations under this Agreement, and Company shall not deduct any amount from Gross Receipts for such sales and use taxes prior to depositing such funds into the City's account. Except for sales and use taxes, Company shall pay, on or before their respective due dates, to the appropriate collecting authority, all ad valorem, personal property taxes, excise or occupation taxes that may be levied or charged in connection with the operation and management of the Parking Facilities hereunder. Company shall obtain and pay for all licenses or permits necessary or required by Applicable Law for the construction of improvements and/or the installation of equipment and furnishings, and as otherwise necessary for the conduct of its operations hereunder. Company shall, after notifying the City of its intention to do so, have the right to contest in good faith by all appropriate proceedings, the amount, applicability, or validity of any such tax, or assessment. Purchases of goods or services for City use are generally exempt from City, State

and most Federal taxes. Applications for reimbursement may not include exempted taxes. Company may request a Tax Exemption Certificate from the City Purchasing Office. Under no circumstances shall the City ever be liable to pay, or to reimburse Company for, any tax from which the City is exempt.

17. INSURANCE

Prior to commencing any work hereunder, Company shall obtain and maintain or cause to be obtained and maintained throughout the Term of this Agreement the following types of insurance:

- 17.1 **Workers' Compensation:** Worker's compensation insurance shall afford coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Texas Labor Code Title 5) and minimum policy limits for employer's liability of \$1,000,000 bodily injury each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:
- i) A Waiver of Subrogation in favor of the City, form WC 420304
 - ii) A thirty (30) day Notice of Cancellation/material change in favor of the City, form WC 420601
- 17.2 **Commercial General Liability Insurance:** Commercial General Liability Insurance shall be provided with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$1,000,000 product/completed operations limit of liability. The policy shall contain the following provisions.
- i) Blanket contractual liability coverage for liability assumed under this Agreement
 - ii) Independent Contractors
 - iii) Fire Legal Liability with a minimum limit of \$50,000
 - iv) Medical expense coverage with a minimum limit of \$5,000 any one person
 - v) The City named as additional insured
 - vi) Thirty (30) day Notice of Cancellation in favor of the City
 - vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City
- 17.3 **Business Automobile Liability Insurance:** Business automobile liability insurance shall be provided for all owned, non-owned and hired vehicles, including all Shuttle Buses, regardless of whether they are titled in the name of Company, the City, or a third party vehicle lessor, with a minimum combined single limit of \$1,000,000. The policy shall contain the following provisions:
- i) The City named as additional insured
 - ii) Thirty (30) day Notice of Cancellation in favor of the City
 - iii) Waiver of Transfer of Right of Recovery Against Others in favor of the City
- 17.4 **Commercial Crime Insurance Coverage:** Commercial Crime Insurance Coverage shall

be provided for all losses emanating from the handling of the City's checks, credit card receipts, or cash, including, but not limited to, losses resulting from dishonest or criminal acts, fraud, embezzlement, forgery, misappropriation or loss of funds and errors in the processing or reporting of funds. This policy shall be written for a minimum limit of \$1,000,000.

- 17.5 **Garage Liability Coverage:** Garage Liability coverage may be provided in place of the Commercial General Liability and Business Automobile Liability policies. The Garage Liability policy shall provide a minimum limit of liability of \$1,000,000 Auto Only/\$1,000,000 Aggregate other than Auto. Coverage shall be provided for all owned, hired and non-owned vehicles, including all Shuttle Buses, regardless of whether they are titled in the name of Company, the City, or a third party vehicle lessor. The policy shall contain the following endorsements in favor of the City of Austin:
- i) Additional Insured Endorsement
 - ii) Waiver of Subrogation
 - iii) Thirty (30) Day Notice of Cancellation
- 17.6 **Property Coverage:** Property coverage shall be provided by Company to provide all risk physical loss coverage for the vehicles and equipment in the care, custody and control of Company. Coverage shall continue throughout the contract term. The limit of coverage required is \$1,000,000 for vehicles in the Company's care, custody and control at any given time. City of Austin shall be added as loss payee as its interests in claims asserted may appear.
- 17.7 **Garagekeepers Liability Coverage.** Garagekeepers Liability may be used to provide the required property coverage for vehicles in the care, custody and control of the vendor. Comprehensive and collision coverage shall be provided on a Direct Primary basis. The minimum limit for the Garagekeepers coverage shall be \$1,000,000.
- 17.8 **Certificates of Insurance:** On or before the Effective Date, Company shall deliver to the Director, for itself and its subcontractors, and at least thirty (30) days prior to the expiration of any insurance policy(ies), an original certificate(s) of insurance as evidence that all coverage required hereunder is in effect. Such certificate(s) shall name the City as an additional insured. Company shall also deliver copies of such endorsements and other evidence of the coverage set forth in the certificate of insurance as the City may reasonably request.
- 17.9 **Insurance Ratings:** Company's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.
- 17.10 **Other:**
- A. The City reserves the right to review the insurance requirements set forth during the Term of this Agreement and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in Applicable Law, court decisions, and the claims

history of their industry or the financial condition of the insurance company as well as the Company. Company shall provide other insurance that the City may require in its reasonable discretion. The cost of any such additional insurance shall be a reimbursable expense under Section 11.4.A. All endorsements, waivers, and notices of cancellation endorsements shall indicate:

City of Austin/Department of Aviation
Attn: Airport Risk Manager
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

- B. The "other" insurance clause shall not apply to the City where the City is shown as an additional insured on any policy. It is intended that policies required in this Agreement, covering the City and Company, shall be considered primary coverage as applicable.
- C. If insurance policies are not written for amounts specified above, Company shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- D. The City shall be entitled, upon written request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by Applicable Law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- E. Company shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the certificate of insurance provided by Company.

18. INDEMNIFICATION

- 18.1 **THE COMPANY WILL INDEMNIFY THE CITY FROM AND AGAINST ANY AND ALL FINANCIAL LOSSES EMANATING FROM THE HANDLING OF GROSS RECEIPTS, DAILY RECEIPTS, THE CITY'S CHECKS, CREDIT CARD RECEIPTS, OR CASH, INCLUDING, BUT NOT LIMITED TO, LOSSES RESULTING FROM DISHONEST OR CRIMINAL ACTS, FRAUD, EMBEZZLEMENT, FORGERY, MISAPPROPRIATION OR LOSS OF FUNDS AND ERRORS IN THE PROCESSING OR REPORTING OF FUNDS.**
- 18.2 **COMPANY, FOR ITSELF AND ITS AGENTS, EMPLOYEES, SUBCONTRACTORS (OF EVERY TIER), AND THE AGENTS AND EMPLOYEES OF SAID SUBCONTRACTORS, SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS (COLLECTIVELY, THE "INDEMNIFIED PARTIES"), HARMLESS FROM AND AGAINST ANY AND ALL COST, LOSS, EXPENSE, CLAIMS, PENALTIES, DEMANDS, SUITS, CAUSES OF ACTION, AND JUDGMENTS (COLLECTIVELY, "INDEMNIFIED CLAIMS") FOR:**
 - **DAMAGE, CONTAMINATION, OR LOSS OF THE USE OF THE PROPERTY OF ANY PERSON (INCLUDING, BUT NOT LIMITED TO COMPANY, ITS AGENTS, OFFICERS, EMPLOYEES AND SUBCONTRACTORS, THE INDEMNIFIED PARTIES, AND CUSTOMERS); AND/OR**

- **DEATH, BODILY INJURY, ILLNESS, DISEASE, WORKERS' COMPENSATION, LOSS OF SERVICES, OR LOSS OF INCOME OR WAGES TO ANY PERSON (INCLUDING BUT NOT LIMITED TO THE AGENTS, OFFICERS, AND EMPLOYEES OF COMPANY, COMPANY'S SUBCONTRACTORS AND THE INDEMNIFIED PARTIES, AND CUSTOMERS, AND REGARDLESS OF WHETHER SUCH INJURY, ILLNESS OR DISEASE BECOMES IMMEDIATELY APPARENT OR FOLLOWING A LATENCY PERIOD OF ANY DURATION),**

TO THE EXTENT ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE NEGLIGENCE (OF EVERY KIND OR DEGREE), STRICT LIABILITY, OR WILLFUL MISCONDUCT (COLLECTIVELY "FAULT") OF COMPANY, ITS AGENTS EMPLOYEES, OR SUBCONTRACTORS (OF ANY TIER), IN THE PERFORMANCE OF ANY OTHER SERVICE TO BE PROVIDED BY COMPANY UNDER THE AGREEMENT, NO MATTER HOW, OR TO WHOM, SUCH LOSS MAY OCCUR.

- 18.3 Company shall assume on behalf of the Indemnified Parties and conduct with due diligence and in good faith the defense of all Indemnified Claims. Maintenance of the insurance required under this Agreement shall not affect Company's indemnity obligations. Company may contest the validity of any Claims, in the name of the Indemnified Parties or Company, as Company may in good faith deem appropriate, provided that the expenses thereof shall be paid by Company. In no event may Company admit liability on the part of an Indemnified Party, without the prior written consent of the Austin City Attorney.
- 18.4 The terms of each subcontract awarded by Company under the Agreement shall contain Indemnity provisions whereby the subcontractor shall indemnify the Indemnified Parties to the same extent as described above.
- 18.5 No specification or method of performance described herein shall relieve the Company of its responsibility or liability for compliance with any and all State, Federal, or local laws, ordinances, rules, regulations or orders, nor shall any specification or suggested method of performance constitute a waiver by an Indemnified Party of its rights to seek collection against Company's insurance or its rights to seek indemnification against Company in accordance with terms of such indemnification and hold harmless provisions.
- 18.6 **IN NO EVENT SHALL EITHER PARTY TO THIS AGREEMENT BE LIABLE TO THE OTHER PARTY FOR SPECIAL, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES IN ANY ACTION OR CLAIM ARISING UNDER OR CONCERNING THIS AGREEMENT.**
- 18.7 **Claims Against Company.** In the event that any claim, demand, suit, or other action is made or brought by any person, firm, corporation, or other entity against the Company arising out of or concerning this Agreement, the Parking Facilities or the Shuttle Bus System, or the Premises, the Company shall give written notice thereof, to the City within ten (10) days after being notified of such claim, demand, suit, or action. Such notice shall enclose a true copy of all written claims, and if the claim is not written or the information is not discernable from the written claim, state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the person, firm, corporation, or other entity making such claim or that instituted or threatened to institute any type of action or proceeding, the basis of such claim, action, or proceeding; and the name of any person against whom such claim is being made or threatened. Such written notice shall be delivered either personally or by mail and shall be directly sent to the Austin City Attorney, 301 West 2nd Street, Austin, Texas 78701, with a copy to the Director.

19. PERFORMANCE SECURITY

Upon execution of this Agreement, Company shall deliver to the Director, a performance bond, the penal amount of which shall be equal to the greater of TWO MILLION DOLLARS (\$2,000,000.00) or the sum of (i) the projected first Contract Year's management fee and (ii) twenty-five percent (25%) of the projected total first Contract Year operating expenses for the Parking Facilities and Shuttle Bus System. In lieu of a performance bond, Company may, at its option, provide, cash or an automatically renewable, for the Term of this Agreement, irrevocable letter of credit drawn on a City-approved bank in the foregoing amount, as a security deposit, to be held by the City as security for the performance of Company's obligations under this Agreement. The amount of the security shall be renewed annually, prior to the expiration of the Contract Year. Within thirty days of receipt of written notice, the Company shall increase the amount of the performance bond, cash deposit, or letter of credit to equal no less than the sum of the next Contract Year's management fee plus twenty five percent of the projected total next Contract Year's operating expenses for the Parking Facilities and Shuttle Bus System. City will hold the bond, letter of credit or cash deposit as security for the performance of the Company's obligations under the Agreement. The security shall not be considered an advance payment of fees, or a measure of damages in the event of default to make good any arrearage of amounts due under this Agreement. It will guarantee payment of appropriate revenues to the City and will be forfeited in whole or in part to satisfy Company's liability in the event of its failure to pay. Upon request of the City, Company shall restore the security to its original amount or increase it to reflect increased amounts due to the City. Provided Company is not in default at the expiration of this Agreement, the performance bond, letter of credit or cash deposit or any remaining balance thereof will be returned within sixty days after the expiration date, or the date Company surrenders possession of the Parking Facilities and Shuttle Buses to the City.

20. NON-DISCRIMINATION AND AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

- 20.1 **Agreement subject to Title 49 CFR Part 23.** This Agreement is subject to the requirements of the U.S. Department of Transportation's Airport Concession Disadvantaged Business Enterprise Program Regulations set forth in Title 49 CFR Part 23 ("Part 23"). Company agrees (a) that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement or other agreement covered by Part 23; and (b) to include the above statements in any subsequent management or concession agreement or contract covered by Part 23 that it enters and cause those business to similarly include the statements in further agreements.
- 20.2 **ACDBE Requirements.** In accordance with 49 CFR Part 23, the City has implemented an Airport Concession Disadvantaged Business Enterprise ("ACDBE") plan ("City ACDBE Plan") under which qualified firms may have the opportunity to operate an Airport concession. Company submitted to the City an ACDBE Compliance Plan ("Compliance Plan"), which is incorporated herein by reference, concerning the ACDBE firms that will

participate in this Management Agreement. Contractor shall comply with the provisions of Part 23, the City ACDBE Plan and the Compliance Plan. Company shall not employ any subcontractor or subconcessionaire except as provided in the Compliance Plan, and shall not substitute any subcontractor or subconcessionaire identified in the Compliance Plan unless the substitute has been approved by the City in accordance with the City ACDBE Plan. Company shall timely submit to the City all reports required under Part 23 or the City ACDBE Plan to demonstrate Company's compliance with its Compliance Plan.

- 20.3 **Nondiscrimination and Affirmative Action.** Company, for itself, its successors and assigns, as a part of the consideration of this Agreement, does hereby covenant and agree that: (1) no person on the grounds of race, color, religion, sex, national origin or ancestry, or age, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said Premises and improvements; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, national origin or ancestry, or age, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to unlawful discrimination; (3) that Company shall use the Airport facilities in compliance with all other requirements imposed by, or pursuant to, 49 CFR Part 21 (Non-discrimination in Federally Assisted Programs of the Department of Transportation), as said regulations may be amended; and (4) Company assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, Non-discrimination in Airport Aid Program, to ensure that no person shall on the grounds of race, color, religion, national origin or ancestry, sex, age, or physical or mental handicap be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E, or such employment activities covered in Chapters 5-3 and 5-4 of the Austin City Code. Company assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Section. Company assures that it will require that any covered subtenant similarly will undertake affirmative action programs and that the subtenant will require assurance from the subtenant's sub-subtenants, as required by 14 CFR Part 152, Subpart E, to the same effect. Company agrees to post, in conspicuous places available to employees and applicants for employment notices to be provided setting forth the provisions of this nondiscrimination clause.

21. PROHIBITED ACTS AND UNUSUAL RISKS

Company shall not knowingly:

- 21.1 Commit any nuisance on the Premises, or any other portion of the Airport, or do or permit to be done anything that may result in the creation or commission of such nuisance;
- 21.2 Cause or produce or permit to be caused or produced upon the Premises, or upon any other portion of the Airport, or to cause to emanate therefrom, any unusual, noxious, or objectionable smokes, gases, vapors, or odors;
- 21.3 Permit to be used or use the Premises or the Parking Facilities for any illegal purpose or for any purpose not expressly authorized hereunder;
- 21.4 Do or permit to be done anything which may interfere with the effectiveness or accessibility

- of existing and future utilities systems or portions thereof on the Premises or Parking Facilities, or do or permit to be done anything which may interfere with free access and passage in the Terminal Complex or in the streets and sidewalks adjacent thereto;
- 21.5 Do or permit to be done any act or thing upon the Premises or upon any other portion of the Airport which will invalidate or conflict with any fire insurance policies covering the Airport or any part thereof or which, in the opinion of the Director, may constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated herein and elsewhere at the Airport;
- 21.6 Install or permit to be installed coin-operated vending machines or pay telephones on the Premises or in the Parking Facilities without the Director's written consent, which shall not be unreasonably withheld. The Director reserves the right to install and maintain, through independent contractors, such coin-operated vending machines or pay telephones on the Premises as Company may request. All revenues received by Company from vending machine or pay telephone operators shall be considered and reported as Gross Receipts; and
- 21.7 Change operating hours of any Parking Facility without the Director's prior written approval.

22. OPERATION OF OTHER PUBLIC PARKING FACILITIES

Neither Company, nor any other person or entity which it controls, is controlled by, or is under common control with, shall own, in whole or in part, operate or manage any public parking facility located within a five (5) mile radius of the Airport terminal. During the term of this Agreement, neither Company nor any other person or entity which it controls, is controlled by, or is under common control with, shall, without the prior written consent of the Director, which shall not be unreasonably withheld, acquire, own, in whole or in part, operate or manage any new or additional public parking facilities within a ten (10) mile radius of the Airport terminal. The ten mile restriction shall not apply to other City of Austin parking facilities. Company shall not divert potential Customers or encourage them to use other parking facilities except as may be directed by the Director.

23. ENVIRONMENTAL COMPLIANCE

23.1 Definitions. In this Section:

- A. "Environmental Laws" - shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, related to pollution or the protection of the environment, including those related to emissions, discharges, releases or threatened releases of or the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws specifically include, but are not limited to, the National Environmental Policy Act and as amended by Superfund Amendments and Reauthorization Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Substances Act, the

Toxic Substances Control Act, the Clean Water Act, Safe Water Drinking Act, the Oil Pollution Control Act of 1990, the Clean Air Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Environmental Protection Agency Oil Pollution Prevention and Response Rule (40 CFR Part 112), the Texas Hazardous Substances Act, and the Texas Water Quality Control Act.

- B. "Hazardous Materials" - shall refer to, and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible Governmental Authority as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides. Company's Hazardous Materials shall mean Hazardous Materials introduced to the Premises by Company.
 - C. "Environmental Claims" – shall refer to, and include, without limitation, all claims, demands, suits, actions, judgments, and liability for: (i) removal, remediation, assessment, transportation, testing and disposal of Hazardous Materials as directed by any Government Authority, court order, or Environmental Law; (ii) bodily injury, or death; (iii) damage to or loss of use of property of any person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, taxes, demands, orders, directives or any other requirements imposed in any manner by any governmental agency under Environmental Laws; and (vi) costs and expenses of cleanup, remediation, assessment, testing, investigation, transportation and disposal of a Hazardous Material spill, release, or discharge.
 - D. "Environmental Condition" shall mean any condition with respect to the soil, surface waters, groundwaters, surface or subsurface strata, ambient air or other environmental medium on or off the Premises or the Parking Facilities, whether or not yet discovered, which could or does result in any Environmental Claim to or against Company or City by any third party (including, without limitation, any Governmental Authority), including, without limitation, any condition resulting from the activities, operation or business of any other property lessee, permittee, licensee, City or operator on, off or in the vicinity of the Premises.
- 23.2 **Compliance.** In its operations at the Airport, Company shall strictly comply with all generally accepted industry environmental practices/standards, applicable Environmental Laws, and the applicable Airport Environmental Policies/ Procedures including, but not limited to, the Storm Water Pollution Prevention Plan ("SWPPP") and Spill Response Plan incorporated herein by reference. Without limiting the generality of the foregoing provision, Company shall not use or store Hazardous Materials on or at the Airport except as reasonably necessary in the ordinary course of Company's permitted activities at the Airport, and then only if such Hazardous Materials are properly labeled and contained, and notice of and a copy of the current material safety data sheet is provided to the City for each such Hazardous Material. Prior to commencing operations at the Airport, Company will complete an Airport baseline environmental questionnaire. Company shall not

discharge, release, or dispose of any Hazardous Materials on the Airport or surrounding air, lands or waters, except as allowed under applicable Environmental Laws. Company shall promptly notify the City of any Hazardous Material spills, releases, or other discharges by Company at the Airport and promptly abate, remediate, and remove the same in accordance with applicable Environmental Laws. Company shall provide the City with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental laws by Company at the Airport within ten (10) days after such documents are generated by or received by Company. If Company uses, handles, treats or stores Hazardous Materials at the Airport, Company shall have a contract in place with an EPA or TCEQ approved waste transport or disposal company, and shall identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport and disposal. Complete records of all disposal manifests, receipts and other documentation shall be retained by the Company as required under applicable Environmental Laws and made available to City for review upon request. City shall have the right at any time to enter the Premises and Parking Facilities to inspect, take samples for testing, and otherwise investigate the Premises and Parking Facilities for the presence of Hazardous Materials.

- 23.3 **Responsibility.** Company shall be responsible for the Hazardous Materials of Company and its subcontractors. Company shall be liable for and responsible to pay all Environmental Claims to the extent caused by Company's use, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Materials on or at the Airport, the violation of any Environmental Law by Company, or the failure of Company to comply with the terms, conditions and covenants of this Section. To the extent City incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Company's use, handling, treatment, storage, discharge, disposal, or transportation of Company's Hazardous Materials on the Airport, Company shall promptly reimburse the City for such reasonable costs upon demand. Company shall comply with all applicable reporting requirements under Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Company or its subcontractors at the Airport.
- 23.4 **Environmental Indemnity.** IN ADDITION TO ANY OTHER INDEMNITIES IN THIS AGREEMENT, BUT EXCEPT AS OTHERWISE PROVIDED HEREIN, COMPANY SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY FROM ANY AND ALL ENVIRONMENTAL CLAIMS (INCLUDING REASONABLE ATTORNEY'S FEES, LITIGATION AND INVESTIGATION EXPENSES, AND COURT COSTS) TO THE EXTENT CAUSED BY COMPANY'S USE, HANDLING, TREATMENT, STORAGE, DISPOSAL, DISCHARGE, OR TRANSPORTATION OF COMPANY'S HAZARDOUS MATERIALS ON THE PARKING FACILITIES OR AT THE AIRPORT DURING THE TERM OF THIS AGREEMENT, THE VIOLATION OF ANY ENVIRONMENTAL LAW BY COMPANY PERTAINING TO COMPANY'S USE, OCCUPANCY, OR MANAGEMENT OF THE PARKING FACILITIES DURING THE TERMS OF THIS AGREEMENT, OR THE FAILURE OF COMPANY TO COMPLY WITH THE TERMS, CONDITIONS AND COVENANTS OF THIS SECTION. THE FOREGOING INDEMNITY AND OBLIGATION TO HOLD HARMLESS SHALL NOT APPLY TO ENVIRONMENTAL CLAIMS TO THE EXTENT THEY ARISE FROM ENVIRONMENTAL CONDITIONS (1) EXISTING ON THE PARKING FACILITIES PRIOR TO THE EFFECTIVE DATE, OR (2) ORIGINATING FROM PROPERTY

OUTSIDE THE PARKING FACILITIES.

- 23.5 **Removal.** Prior to the expiration or earlier termination of this Agreement, Company shall remove or remediate in accordance with applicable Environmental Laws and the Airport Environmental Rules and Policies, all of Company's Hazardous Materials from the Premises, the Parking Facilities, the Airport, and surrounding lands and waters. Unless instructed otherwise by the City, Company shall also, prior to vacating the Airport, remove all tanks, piping and other equipment which stored Company's Hazardous Materials, or which are contaminated by Company's Hazardous Materials.
- 23.6 **Compliance with Federal and State Stormwater Requirements.** Company acknowledges that the Airport is subject to the National Pollution Discharge Elimination System Program ("NPDES") and Federal Stormwater Regulations (40 CFR Part 122) and the Texas Pollution Discharge Elimination Program ("TPDES"). In its operations at the Airport, Company shall comply with all applicable provisions of NPDES, TPDES, Federal and State Stormwater Regulations, and the SWPPP, as they may be amended from time to time.
- 23.7 **Natural Resource and Energy Conservation and Management.** Company shall comply with all Applicable Laws, and Airport Rules and Regulations pertaining to recycling and energy or natural resource conservation and management at the Airport. The Department has, or will in the future establish and implement an Environmental Management System for the Airport. Company shall fully cooperate with Owner in the implementation and enforcement of all such conservation and management policies and programs.
- 23.8 **Survival.** The covenants, conditions, and indemnities in this Section shall survive termination of this Agreement. Company shall expressly include the provisions of this Section in all subcontracts.

24. ASSIGNMENT, TRANSFER AND SUBLETTING

- 24.1 Except as explicitly authorized herein, Company shall not assign, sublet, sell, convey, transfer, mortgage or pledge this Agreement or any part thereof without the Director's prior written consent. Any restrictions, which form a part of any written consent granted, shall be incorporated into a written instrument and shall form a part of this Agreement. Due to the significance of this Agreement and the nature of the services to be provided hereunder, the Director shall have the right, in his sole discretion, to withhold or condition his consent. Company shall not use, or permit any person to use, the Premises, the Shuttle Bus System, Parking Facilities, improvements thereon, or any portion thereof, except for the purposes as provided in this Agreement.
- 24.2 Company may make an assignment of its interest in this agreement to a lender for debt security purposes, without the Director's prior written consent, provided that such security agreement is consistent with this Agreement, and the City is given written notice thereof, including a copy of the security agreement.
- 24.3 If Company merges, consolidates, acquires, affiliates, or associates with any other person, company, corporation or other entity, or in any manner whatsoever either is bought out or buys out another person, company, corporation or other entity, and such merger, consolidation, acquisition, affiliation, association or buy out results in a change of control or

management of the operations authorized herein, such merger, consolidation, acquisition, affiliation, association or buy out shall be considered as an Assignment of this Agreement by Company which requires the Director's prior written approval.

- 24.4 Any assignment, transfer, sublease, pledge, or hypothecation without first obtaining the Director's written consent shall not be binding upon the City, but shall be a material event of default by Company.

25. TERMINATION BY THE CITY

- 25.1 **Events of Default.** Each of the following shall be an Event of Default for which the City may exercise all rights and remedies available under this Agreement or under law or in equity:

- A. Company fails to pay Gross Receipts, as set forth herein, and such failure continues more than ten (10) days after the date of receipt of notice from the City of such non-payment;
- B. Company fails to timely deposit Daily Receipts, as set forth herein;
- C. Company abandons the Premises, the Parking Facilities, or any substantial part thereof;
- D. Any interest of Company hereunder is levied under execution;
- E. Company files a voluntary petition in bankruptcy, has an involuntary petition in bankruptcy filed against it and this Agreement is not accepted within ninety (90) days in accordance with applicable Bankruptcy Rules;
- F. Company makes any assignment of its property for the benefit of creditors;
- G. Company fails to operate the Parking Facilities and Shuttle Bus System in accordance with the terms of this Agreement or fails to perform or observe any of the terms, covenants or conditions of this Agreement, and such failure continues for a period of thirty days after written notice from the City;
- H. Company falsifies or makes a material misrepresentation on any report required to be made by Company hereunder, including, without limitation, Gross Revenue reports and monthly expense reports;
- I. Company receives more than six Notices of Violation under Section 10.3 in any rolling twelve month period; or
- J. Any permit, license, or other governmental permission required for Company to manage the Parking Facilities is terminated, expires, or lapses, and is not reinstated within thirty (30) days.

- 25.2 **Termination.** In addition to any other right or remedy available to the City under this Agreement or at law or in equity, upon the occurrence of an event of default, and the failure of Company to cure such default within the time specified, the City may terminate this Agreement by upon ten days' prior written notice to Company. Should the nature of a default, excluding a failure to make any payment when due, be such that it is curable, but not capable of being cured within the time specified, Company shall be deemed to have

cured such default, if within such specified time period it commenced performance and thereafter diligently prosecuted the same to completion as soon as reasonably feasible.

- 25.3 **Liability Continues.** No such cancellation or termination of this Agreement shall relieve Company of its liability and obligations under this Agreement and such liability and obligations shall survive any such expiration or termination.

26. TERMINATION BY COMPANY

- 26.1 **Events of Default.** Company may terminate this Agreement at any time that it is not in default in its obligations after the happening of any one or more of the following events materially impairing the conduct of its normal business from the Premises:
- A. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereto, in such a manner as to substantially restrict Company for a period of at least ninety (90) days from operating thereon.
 - B. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restricting the use of the Airport, and the remaining in force of such injunction for a period of at least ninety (90) days.
 - C. The material default by the City in the performance of any substantive covenant or agreement herein required to be performed by the City, and the failure by the City to cure such default within thirty days after receipt of written notice from Company specifying the default; provided, however, should the nature of the default be such that it is curable, but cannot be cured within thirty (30) days, the City shall be deemed to have cured such default, if within such thirty (30) day period it shall commence performance and thereafter diligently prosecute the same to completion.
 - D. The complete destruction of the Premises and the City's failure to replace said office, within ninety (90) days after said destruction.
 - E. The permanent abandonment of the Airport by the City.
- 26.2 **Termination.** Upon the happening of any such event, and the passage of the time periods described, Company shall have the right to terminate this Agreement by giving written notice thereof to the City at least thirty (30) days in advance of the date upon which termination is to be effective.

27. HOLDING OVER

In the event a new parking management operator has not been chosen by the expiration date of this Agreement, the City shall have the unilateral right to extend the term of this Agreement on month to month basis until such time as a new parking management agreement has become effective. The City agrees to provide Company with thirty (30) days written notice of the termination date of any holdover.

28. DAMAGE OR DESTRUCTION

- 28.1 **Damage to the Airport.** If any portion of the Parking Facilities or Premises is damaged, and such damage is capable of being repaired within six (6) months, it shall be repaired with due diligence by the City at its own expense, except to the extent the damage is caused by the negligence or willful misconduct of Company. If the damage is not reasonably capable of being repaired within six (6) months, the City shall have the option, in its absolute discretion, whether or not to repair the damage, but shall give Contractor written notice of its decision.
- 28.2 **Protection of Premises.** The City shall never be obligated to provide security to protect Company's personal property or the contents of the Premises against loss by fire or other casualty.

29. MEDIATION

- 29.1 Should any dispute arise between the parties to this Agreement other than a dispute regarding (1) the failure to pay fees or other payments as required by this Agreement, (2) possession, or (3) an adjustment of the fees, the parties agree to negotiate prior to prosecuting a suit for damages. However, this Section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within ten (10) days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within twenty (20) days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below.
- 29.2 If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within twenty (20) days, a mediator trained in mediation skills to assist with resolution of the dispute. The parties agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Agreement prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within twenty (20) days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center. The mediation shall take place in Austin, Texas. The parties agree to participate in mediation in good faith for up to thirty (30) days from the date of the first mediation session. The parties shall share the costs of the mediator equally.

30. REMOVAL OF MOTOR VEHICLES

- 30.1 **Movement of Motor Vehicles.** Except as provided in Section 30.2, Company shall not move any motor vehicle in, or remove any vehicle from, the Parking Facilities, unless:
- the vehicle is in or obstructs a vehicular traffic aisle, entry, or exit in the Parking Facilities,
 - the vehicle prevents a vehicle from exiting a parking space in the Parking Facilities

- the vehicle is in or obstructs a marked fire lane,
- the vehicle is in a parking space that is designated for the exclusive use of a vehicle transporting a disabled person, and does not display the special disabled license plates or parking placard required by Applicable Law, or
- an emergency exists involving public convenience and safety or pursuant to the Director's written directives.

Any expenses incurred in the moving of motor vehicles in an emergency or at Director's request shall, if not collectible from the registered owner or operator of the motor vehicle after reasonably diligent efforts, constitute a reimbursable expense under Section 11.4.

- 30.2 **Abandoned Vehicles.** If a vehicle remains in any lot for sixty (60) consecutive days, Company shall describe it, to include license plate number, on an Abandoned Vehicle List, which will be forwarded immediately to the Parking Program Manager who will provide the name and address of the registered owner and lienholders of record to Company. Within forty-eight (48) hours of receipt of the information, Company shall notify the last known registered owner and each lienholder of record in accordance with Texas Transportation Code Chapter 683. If the vehicle remains on the lot and the registered owner does not respond within ten days after notice is given, the vehicle shall be considered to be an abandoned vehicle, and Company shall dispose of it in accordance with Texas Transportation Code Chapter 683 and City directives. Company shall include the net proceeds of abandoned vehicle sales proceeds after deducting related legal and sales expenses, in Gross Receipts in the month of such sale. Company shall comply with all Applicable Law concerning abandoned vehicles. **Company shall indemnify and hold the City harmless from any civil or criminal liability resulting from Company's violation of Applicable Law except to the extent the violation was caused at the City's express directions.** Notwithstanding the provisions of this section, a vehicle that remains in a lot for longer than sixty days shall not be placed on the Abandoned Vehicle List if the owner of such vehicle has made written arrangements in advance with Company for an extended stay. In such event, the vehicle shall be placed on the Abandoned Vehicle List if it remains in a lot for more than three business days after the expiration of the agreed-upon extended stay.

31. LEGAL RELATIONSHIPS

Company is, and shall be, an independent contractor hereunder and shall control all ways, means and details incident to the performance of its obligations under this Agreement. Except as expressly stated herein, nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. Company's employees are not employees of the City, are not subject to the personnel policies of the City, and do not participate in the benefits which accrue to City employees.

32. PROHIBITED INTERESTS

No member, officer, or employee of the City during his or her tenure, and for one (1) year

thereafter, shall have any interest, direct or indirect, in this Agreement or its proceeds.

33. EXCLUSIVITY

Company's rights to provide parking and shuttle bus management service are non-exclusive. During the Term of this Agreement, the City may (i) replace the Company with another operator if this Agreement is terminated for any reason, and (ii) engage another contractor to manage other parking lots or garages constructed or acquired by the City at the Airport during the term of this Agreement, including operation of Shuttle Buses serving such lots or garages.

34. SURRENDER OF POSSESSION

- 34.1 Upon the expiration of the term of this Agreement, by expiration, termination, or otherwise, or of any renewal, or extension hereof, Company shall peaceably quit, deliver up, and surrender the Premises, Shuttle Buses, and the Parking Facilities to the Department, in good order, repair, and condition, reasonable wear and tear excepted. Company shall, immediately upon expiration or sooner of this Agreement, remove all furniture, equipment, supplies and other personal property owned by Company from the Airport, provided that such removal can be accomplished without material injury to any facilities at the Airport and provided that any damage caused to such facilities as a result of such removal is repaired by Company at its own cost and expense to the reasonable satisfaction of the Director. In no event may Company remove any furniture, equipment, supplies or other personal property owned by the City, or for which the City has reimbursed Company. Company shall have the right to remove all of its trade fixtures and equipment installed or placed by it at its own expense, in, on, or about the Premises.
- 34.2 At time of surrender, the Company shall transition to the new operator in an orderly fashion in accordance with the transition plan in the Procedures Manual. The Company shall deliver all equipment keys, computer cards and equipment operating manuals to the City. Company shall cooperate with the City and successor parking facility manager, and shall provide the successor parking facility manager all information and documentation regarding Company's operations at the Airport under this Agreement reasonably requested by the successor parking facility manager. Company's obligations under this section shall survive termination of this Agreement.

ARTICLE 35 NO LIENS

Company shall pay for all labor done or materials furnished in the repair, replacement, development, or improvement of their office space or other personal property, and shall keep said Premises and Company's possessory interest therein free and clear of any lien or encumbrance of any kind whatsoever created by Company's act or omission. If any lien or encumbrance is asserted arising from any acts or omissions of Company, Company shall cause such lien to be released within thirty (30) days after receipt of notice from the City.

ARTICLE 36

SECURITY ARRANGEMENTS

The City shall provide, or cause to be provided, during the term of this Agreement, all proper and appropriate public fire and police protection similar to that afforded to other tenants or licensees at the Airport, and it will issue and enforce rules and regulations with respect thereto for all portions of the Airport. Company shall comply with the Airport Security Plan and may, subject to Chapter 13-1 of the Austin City Code, as amended, provide such additional or supplemental public protection as it may desire, but such right, whether or not exercised by Company, shall not in any way be construed to limit or reduce the obligations of the City hereunder.

ARTICLE 37 TRANSPORTATION SECURITY REGULATIONS

Company shall comply with applicable Airport security regulations and shall control the Parking Facilities so as to prevent unauthorized access to the air operations area. Company shall comply with all applicable Federal Transportation Security Regulations (Title 49 CFR Chapter XII). Company's security system must comply with Airport security plan. The City reserves the right to install security devices in or on the premises as it deems necessary. Company shall indemnify and hold the City harmless from and against all liability, claims, penalties, fines, cost, loss, or expense incurred by City arising out of, or concerning, a breach by Company of its obligations under this section.

38. GENERAL PROVISIONS

- 39.1 **Signs.** Company may display no signs on the Airport without the Director's prior written approval.
- 39.2 **Notices.** Any notice required to be given hereunder must be in writing and shall be given by (a) depositing same in the United States Mail, postage prepaid, registered or certified, with return receipt requested, addressed as set forth in this Section; (b) hand delivering the same to the party to be notified; or (c) overnight courier of general use in the business community of Austin, Texas. Notice given in accordance with this section shall be deemed delivered and effective on the earlier of actual receipt or three calendar-days next following deposit thereof in accordance with the requirements above. A party may, by giving written notice to the other, change the address at which its notices are to be delivered.

Notices to the City shall be sent to the following address:

Director of Aviation
Austin-Bergstrom International Airport
3600 Presidential Boulevard, Suite 411
Austin, Texas 78719

With a copy to:

City Attorney
City of Austin Law Department
P.O. Box 1088
Austin, Texas 78767-1088

Notice to Company shall be sent to the following address:

Ampco System Parking
808 South Olive Street
Los Angeles, CA 90014

Copy to:

Daniel G. Huberty, CPFM, MBA
Vice President Airports - Ampco System Parking
815 Walker, Suite 340, Houston, TX 77002

- 39.3 **Approvals, Consents and Notices.** All approvals, consents and notices called for in this Agreement must be in writing and signed by the party to be charged.
- 39.4 **Contract Administrator.** The Parking Program Manager, Department of Aviation, 3600 Presidential Blvd., Suite 411, Austin, Texas 78719, telephone (512) 530-6344, will act as the contact point between the City and the Company, and is designated the Contract Administrator. The Contract Administrator shall be authorized to act on behalf of the City to organize, schedule, coordinate work processes and review and approve Company's work projects. The Contract Administrator shall make every effort to resolve questions, expedite decisions and facilitate the review of work performed in a timely fashion.
- 39.5 **Consent not to be Unreasonably Withheld.** Unless otherwise provided herein, whenever consent is required hereunder by either party, such consent is not to be unreasonably withheld or to be delayed for any unreasonable period of time.
- 39.6 **Headings.** The articles, sections, subsections, and headings contained in this Agreement are used only to facilitate reference, and in no way define or limit the scope or intent of any of the provisions of this Agreement.
- 39.7 **Jurisdiction and Venue.** The laws of Texas without regard to conflicts of law principles govern this Agreement. Any disputes relating to this Agreement must be resolved in accordance with the laws of Texas. Venue of any action brought concerning this Agreement shall lie in Travis County, Texas, exclusively.
- 39.8 **Subordination to Agreement with the United States.** This Agreement is subject to the provisions of any agreement made between City and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for Airport purposes, or the expenditure of federal funds for the development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the FAA's Airport Improvement Program, or in order to impose and use passenger facilities charges under 49 U.S.C. Section 40117 or any successor thereto.
- 39.9 **Force Majeure.** The failure of a party to perform its obligations hereunder shall be excused to the extent, and for the period of time, such failure is caused by the occurrence of an event of Force Majeure. Force Majeure shall mean acts and events not within the control of the party claiming suspension, and which that party has been unable by the exercise of due diligence to avoid or prevent. Events of Force Majeure include, without limitation: Acts of God; strikes, lockouts or other industrial disputes; inability to obtain material, equipment or labor; epidemics, civil disturbances, acts of domestic or foreign terrorism, wars, riots or insurrections; landslides, lightning, earthquakes, fires, storms, floods or washouts; arrests and restraint of rulers and people; interruptions by government

or court orders; present or future orders of any regulatory body having proper jurisdiction and authority; explosions; and breakage or accident to machinery. The party invoking Force Majeure shall give prompt, timely and adequate notice to the other party, by facsimile transmission or telephone confirmed promptly thereafter in writing, and shall use due diligence to remedy the event of Force Majeure, as soon as reasonably possible. Nothing contained herein shall be construed to require a party to settle a strike or other labor dispute against its will.

No event of Force Majeure shall relieve Company from its monetary obligations under this Agreement, including but not limited to, Company's obligations to remit Gross Receipts or Daily Receipts to the City, nor shall the term of this Agreement be extended by any event of Force Majeure.

- 39.10 **Nonwaiver of Rights.** No waiver of default by either party of any terms, covenants, and conditions hereof to be performed, kept, and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants, or conditions herein contained, to be performed, kept and observed by the other party.
- 39.11 **Invalidity of Clauses.** In the event that any covenant, condition or clause herein contained is held to be invalid or unenforceable by a court of competent jurisdiction, the invalidity unenforceability of any such covenant, condition or clause, shall in no way affect any other covenants, conditions or clauses, provided that elimination of the invalid provision does not materially prejudice either the City or Company with regard to their respective rights and obligations and the remainder shall be construed and enforced as if the invalid or unenforceable provision were never included in the Agreement. The parties agree to use their best efforts to reform the Agreement to replace an invalid or unenforceable provision with a valid and enforceable provision that comes as close as possible to the intent of the invalid or unenforceable provision.
- 39.12 **Warranty of Authority.** Each party warrants and represents to the other that the person signing this Agreement on its behalf has been duly authorized and empowered to do so, that it has taken all action necessary to approve this Agreement, and that this Agreement is a lawful and binding obligation of such party, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditor's rights, or with respect to the City, governmental immunity under the Constitution and laws of the State of Texas. Company shall furnish certified copies of resolutions of the Directors, By-laws, or other evidence of authority to the Director within thirty (30) days from the date of execution hereof.
- 39.13 **Rights to Proposal and Contractual Material.** All reports, charts, schedules, or other appended documentation to any proposal, content of basic proposal, or agreements and any responses, shall become property of the City upon receipt.
- 39.14 **Successors and Assigns Bounds.** This Agreement shall bind and inure to the benefit of the parties and their respective permitted successors, assignees, or subcontractors.
- 39.15 **Right to Amend.** The City and Company reserve the right to amend this Agreement. Any changes to this Agreement shall be in writing and mutually agreed upon and duly executed by both parties. In the event that the FAA, TSA, or other governmental authority of competent jurisdiction, shall require any modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport to use or

impose Passenger Facility Charges, or if it is necessary to modify this Agreement to comply with the requirements of Applicable Law, including regulations, orders and decisions of the FAA or TSA, City shall notify Company in writing. If the parties are unable to agree upon and execute a suitable amendment within the time frame required by the governmental authority, Company agrees that City may unilaterally modify this Agreement, upon advice of its legal counsel, as may reasonably be required to obtain such funds or comply with law. Nothing herein shall preclude Company from contesting such orders or decisions, but Company shall abide by the unilateral modification by City until such time if any as such governmental authority's order or decision is stayed, rescinded or invalidated as long as such stay, rescission or invalidation remains in effect.

39.16 **Liability of Agents and Employees.** No member, officer, agent, director or employee of the City or Company shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement, or because of any breach thereof, or because of its or their execution or attempted execution.

39.17 **Time of the Essence.** Time is expressed to be of the essence of this Agreement.

39.18 **Entire Agreement**

A. This Agreement, together with the exhibits listed below, constitute the entire Agreement between the parties hereto with respect to the subject matter of this Agreement. It is further understood and agreed by Company that the City and its agents have made no representations or promises with respect to this Agreement, except as expressly set forth herein, and that no claim or liability or cause for termination shall be asserted by Company against the City, and the City shall not be liable by reason of the breach of any representations or promises not expressly stated in this Agreement. The City and Company are the only parties to this Agreement and as such are the only parties to enforce its terms. Nothing in this Agreement gives, or shall be construed to give or provide, any benefit, direct or indirect, to third parties unless a third party is expressly described as an intended beneficiary of its terms.

B. The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits hereto, and have sought and received whatever advice needed for them to form a full and complete understanding of all rights and obligations herein. The exhibits to this Agreement are as follows:

Exhibit A -Parking Facilities Layout Map

Exhibit B - The Premises

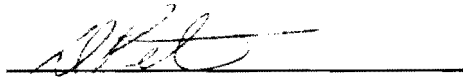
Exhibit C - Inventory of City-Provided Equipment

Exhibit D - Employee Benefits

**REMAINDER OF PAGE LEFT BLANK INTENTIONALLY
SIGNATURE PAGE FOLLOWS**


IN WITNESS WHEREOF, the City and Company have executed this Agreement by their duly authorized representatives as of the Effective Date.

CITY OF AUSTIN



Approved as to form

Assistant City Attorney

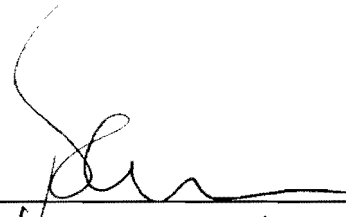
By: 

Name: Jim Smith

Title: Executive Director Auction

Date: 9/14/09

AMPCO SYSTEM PARKING

By: 

Name: SAM CHERKAOU

Title: VICE PRESIDENT

Date: 09-10-09

**EXHIBIT A
PARKING FACILITIES**

4
2

EXHIBIT B
PREMISES

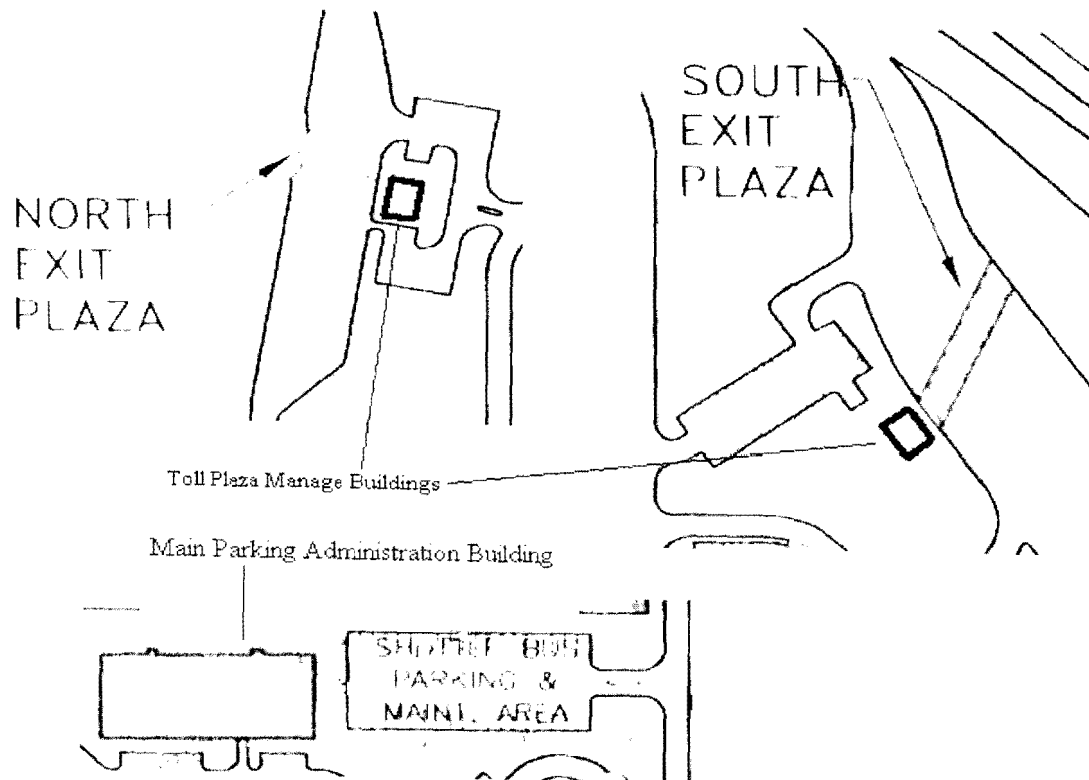


EXHIBIT C

INVENTORY OF CITY-PROVIDED EQUIPMENT

Facility Management System (FMS) Equipment:

The components that make up the Parking Revenue Control System are 15 Fee Computers w/ License Plate Inventory Client and AmanoCharge Client (FC), 13 Ticket Dispensers (TD), 7 Automatic Vehicle Identification (AVI) Access Points, 3 Telecomm Boxes, 68 Loop Detection Points, 68 barrier gate controllers, 24 Proximity Card Readers, 20 Magnetic Stripe Card Readers, 6 ExpressParcs (EPs), 11 Client Workstations w/ Monitor and McGann Professional Client (1 w/ AmanoCharge Client), 14 Pan Tilt Zoom Cameras, 14 Camera Client Computers w/ Monitor, 1 Closed Circuit Television (CCTV) Digital Video Recorder (DVR) Server, 1 License Plate Inventory (LPI) Server, 1 AmanoCharge Credit Card Processor Server, 1 Internet Information Services (IIS) Server, 1 McGann Professional Server w/ MS SQL 2005, 1 Backup Server w/ MS SQL 2005.

TD's:

There are four Amano AGP-2000 Ticket Dispensers (TDs) located at the entry to Garage Parking, three located at the entry of Daily Parking and four at the entry to Long-term parking. There are two Amano ETP-22 Ticket Dispensers located at the exits from the Ground Transportation Staging Area (GTSA). The purpose of the Ticket Dispenser is to provide a receipt of entry into the parking area or to provide proof of payment and inspection at GTSA.

FC's:

There are nine Amano AGP-5200 Phase III Fee Computers located at the South Toll Plaza, five located at the North Toll Plaza, and one located at the Valet Terminal. The purpose of the Fee Computer is to process tickets and handle cash and credit card (through the use of the AmanoCharge client) payment upon exit. The Fee Computers also use the License Plate Inventory client to check for invalid dates and times on tickets and to determine parking fees for lost and damaged tickets. The information from these transactions are stored locally on the PC hard drive and is also transmitted to the McGann Professional Server and then stored in the SQL Database for reporting and reconciliation purposes. The credit card information is sent to the AmanoCharge Server for verification and approval.

EP's:

There are four Amano AGP-4400 ExpressParcs at the South Toll Plaza and two at the North Toll Plaza. The EPs allow customers to exit using a ticket from one of the entrance ticket dispensers and accept payment by credit card for any parking fees incurred. A receipt of the transaction is then generated and issued to the customer.

AVI's:

There are seven Automatic Vehicle Identifier (AVI) points on site. They consist of Transcore tag readers, McGann MT-280 communication boards, and Amano AGP-1700 Parking Gates. They are located at the service entrance to Lot A, shuttle bus entrance to Lot C, shuttle bus entrance to Lot E, Main Shuttle Bus entrance, Main Shuttle Bus Exit, Lot G shuttle bus entrance, and Lot G shuttle bus exit. The purpose of the AVI access points is to monitor the activity and allow access of the shuttle buses and the service vehicles in the parking area without having to go through the public parking entries or exits. The AVI is linked to the McGann Professional Server and access can be granted or denied by the software. The McGann Professional Server also logs all access attempts and results in the SQL database.

Barrier Gate Controllers:

There are sixty-eight barrier gate controllers. Two are located at the entry of the Ground Transportation Staging Area (GTSA) and their purpose is to provide entry into the area for shuttles and taxis and to control the traffic flow into the area. Two are located at the exit of GTSA to enforce the use of Debit Proximity Cards for tracking and billing purposes. Two are located in Lot A to allow exit only to long-term parking since the two areas have a different rate structure. There are four located on the shuttle bus route at the main shuttle entry and entries to Lots F, D, and B. This allows shuttle buses different entry points to Long-term Parking and restricts the public from entering the shuttle bus access road. These gates allow entry only. There is one located at the service entrance to

Lot A behind the North Toll Plaza building to allow entry only to Lot A for shuttle busses and service vehicles. Two are located at the Main Shuttle Bus Exit behind Lot C (one is located at the AVI point and another just ahead to prevent "tailgating" out of the lot). Both of these gates allow exit only. Two are located at the employee lot (Lot G) entrance and two at the exit of Lot G, which are used to control the flow of traffic in and out of Lot G and restrict entry to proximity card reader only (or AVI access in the case of the Lot G shuttle bus / employee entrance). One is located at the Lot G Shuttle Bus exit to restrict exit to shuttle busses only. This gate is exit only. There are twenty-five located throughout the long term parking lots (five in Lot B, six in Lot C, five in Lot D, four in Lot E, and five in Lot F) used to control access to the lots. When a lot reaches capacity the gates in that lot lower and allow only exiting until the number of occupied spaces drops to a specified number at which time the lot reopens. There are four at the entrance to the long term parking lots, three at the entrance to Lot A, and four at the entrance to the short term parking garage used to control access to the parking facility and to enforce the use of the Ticket dispensers, proximity card readers, or magnetic stripe card readers. There are nine at the South Toll Plaza and five at the North Toll Plaza used to control exit from the parking facility and to enforce the use of the Fee Computers, ExpressParcs, proximity card readers, or magnetic stripe card readers. All of the Barrier Gate Controllers can be remotely controlled through the McGann Professional system except the two at the entrance to GTSA.

Proximity Card Reader:

There are two proximity card readers located at the entry to Lot G. Their purpose is to restrict entry into the area to personnel with valid proximity cards. There are two at the exit of Lot G intended to restrict exiting of Lot G to personnel with valid proximity cards only. There are four at the entrance to the long term parking lots, three at the entrance to Lot A, and four at the entrance to the short term parking garage to allow access to personnel with valid proximity cards. There are four at the South Toll Plaza and two at the North Toll Plaza to allow personnel with valid proximity cards to exit the facility. There is one at the Valet Curbside Check-in. There are two at the exits of the Ground Transportation Staging Area to debit the accounts of Ground Transportation providers entering the airport facility. The readers are connected to the McGann Professional Server, which gives control to grant or deny access remotely. Activity is sent to the McGann Professional Server and then stored in the SQL database to be used for reporting purposes.

Magnetic Stripe Card Reader:

There are four magnetic stripe card readers at the entrance to the long term parking lots, three at the entrance to Lot A, and four at the entrance to the short term parking garage. These readers allow the use of a credit card or ParkPerk™ card to gain entrance to the parking facility. There are four located at the South Toll Plaza and two located at the North Toll Plaza to allow exiting the parking facility by using a credit card or ParkPerk™ card as means of payment (this option is only available to a customer who has also used the magnetic stripe card reader system to enter the parking facility). There are two located at the exit of the Ground Transportation Staging Area to allow the use of magnetic stripe cards for Ground Transportation accounts. There is one located at the Valet Curbside Check-in to allow the use of ParkPerk™ cards for customers parking in valet. The readers are connected to the McGann Professional Server, which gives control to grant or deny access remotely.

Activity is sent to the McGann Professional Server and then stored in the SQL database to be used for reporting purposes.

CCTV System:

There are nine Pan Tilt Zoom (PTZ) cameras located in the lanes at the South Toll Plaza and five located in the lanes at the North Toll Plaza. In each lane the PTZ camera is connected to the Camera Client to allow viewing of license plates on vehicles exiting the parking facility for entry into the License Plate Inventory client on the Fee Computer. All PTZ cameras are also connected to the CCTV DVR Server for monitoring and archival purposes.

Client Workstations:

There are eleven Client Workstations with the McGann Professional Client. One is located in the North Plaza, one in the South Plaza, two in the Parking Management Office reception area, one in the Ground Transportation Staging Area booth, one in the Ground Transportation Staging Area manager's office, one in the City of Austin Finance department, one in the Parking Management Accounting office (which also has the AmanoCharge client

loaded), one in the Parking Management manager's office, one in the City of Austin Parking manager's office, and one in the City of Austin Information Systems office. The purposes of these units are to provide an interface to the system in order for these groups to perform their various duties and to obtain reports from the data stored on the McGann Professional, AmanoCharge, and License Plate Inventory Servers.

McGann Professional Server:

There is one McGann Professional Server. Its purpose is to collect raw data from the lane equipment, remotely program and synchronize lane equipment, monitor lot counts, monitor equipment status, allow remote management of parking equipment, provide a communication link between the McGann Professional software and the lane equipment, process credit card transactions from the automated lane equipment (magnetic stripe card readers and ExpressParcs), manage ParkPerk™ card accounts, manage debit card accounts, manage contract parker accounts, provide reporting on all data collected, and archive and backup all parking revenue and access data.

AmanoCharge Server:

There is one AmanoCharge Server. Its purpose is to provide a communication link between the AmanoCharge application and the Fee Computers to allow the processing of credit card data. It also stores transaction information from Fee Computer credit card transactions and generates reports regarding this data.

Loop Detector:

There are sixty-eight loop detection points throughout the parking facility. The purpose of the loop detector is to sense the presence of a vehicle by the vehicle interrupting a magnetic field generated by a loop of wire beneath the driving surface. There are three different applications of loop detectors in the parking facility. One application uses the loop to detect vehicle presence to arm proximity card readers, magnetic stripe card readers, AVIs, ticket dispensers, ExpressParcs, Fee Computers and barrier gate controllers to ensure that a vehicle is present before allowing a transaction to occur. Another application uses the loop as a safety and closing device for barrier gate controllers in order to prevent vehicle impacts with barrier gate arms and to signal the barrier gate controller to close the gate arm after a vehicle has passes through the gate. The final application uses a set of loops to determine presence and direction of a vehicle travel to determine facility and lot counts. In all applications the loop detector is housed in an Amano AGP-1700 Parking Gate and is connected to a set of loops.

Telecomm Units:

There are several pieces of equipment involved in the Telecomm aspect of the parking operation. There are two telecomm boxes located in the long term parking lots (one in Lot B and one in Lot C) and one at the Ground Transportation Staging Area that house fiber to RS-485 converters and surge suppressors. The fiber to RS-485 converters relay communication between the parking equipment and the RS-485 to RS-232 converters (TCs) at the servers. The TCs convert signals in RS-485 coming from parking equipment and fiber converters into RS-232 which is directly usable by the servers.

CCTV Servers:

The CCTV Server is connected to all PTZ cameras and monitors and records all activity. It has an archive of footage captured by the PTZ cameras that can be searched for specific events. It also allows a user to Pan Tilt or Zoom the cameras connected to the server.

LPI Server:

The License Plate Inventory Server collects data from the Handheld Units (HHUs) and inputs it into the License Plate Inventory. The data is then used by LPI clients to determine validity of parking tickets and to determine parking fees of lost and damaged tickets. The LPI server maintains a list of all license plates currently parked in the facility as well as recently exited plates. It also keeps an archive of all license plates that have ever parked in the facility for tracking and security purposes.

IIS Server:

The IIS Server maintains the Frequent Parker "ParkPerk™" website and communicates registration and redemption data to the McGann Professional Server.

Backup Server:

The Backup Server is intended as a failover for any services lost from another server failure. It runs update services for client workstations and other servers, anti-virus update server, a backup instance of MS SQL 2005, and file server services.

RasTrac Shuttle Tracking System:

System of one computer and communication devices installed in each shuttle that is used to monitor and track the Shuttle Buses

**EXHIBIT D
EMPLOYEE BENEFITS**

Employee Benefits Program: Benefits for full-time (average 30 or more work hours per week) Hourly Employees are as follow:

Health benefits: Please refer to the following Health Benefits Attachments

Vacation: Based on 40 hr work week:

<u>Service Period</u>	<u>Annual</u>
0 – 3 months	No accrual 3 – 12 months week
2 nd – 3 rd year	1 week
4 th yr – 7 th yr	2 weeks
8 th yr and there after	3 weeks

<u># of hours per month</u>	<u># of hours per year</u>
0	
3.33 hours	40
3.33 hours	40
6.67 hours	80
10 hours	120

Vacation accrual is based on average hours worked per week, i.e., worked average 32 hours per week, one week of vacation equals to 32 hours vacation benefit. New rates begin to accrue after reaching the threshold periods. Employees, working less than an average of 30 hours per week, are not eligible for vacation benefits.

Holidays:

New Years Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

If worksite is open for operation, employee working receives double time pay for holiday worked. If the worksite is closed for operation, employee receives straight time pay for holiday not worked if he/she is available to work the day before and the day after the holiday. If the worksite is a 24 hrs/7 days operation, the holiday will be observed on the actual holiday. If the worksite is a Monday through Friday operation, holiday pay will be determined by the day the holiday was observed. For example, July 4th falls on a Sunday, it is observed on Friday, July 2nd in accordance to the Corporate holiday calendar for the regional and branch offices.

Jury Duty: Time off is given, but it is without pay. Employee must provide notice from the courts for jury duty service or it will be considered unexcused absences.

401K Plan: Employees with 1 year or more of service are eligible to participate in the Company's 401k Retirement Plan. Employees can defer between 1% to 50% pre-tax basis into their 401k with a company matching.

Employee Stock Purchase Plan: All employees are eligible to participate in the stock purchase plan. Through payroll deductions, employees are able to purchase company stock at a discounted rate.

**SOUTH CENTRAL REGION HOURLY EMPLOYEES
ABM BENEFIT PLAN RATES FOR 2009**

Enrollment of plan will be effective on the seventh month following employees' six months anniversary date of hire if they choose to participate and cannot be changed during the plan year, until next the open enrollment period. The Company will continue to pay a significant portion of your healthcare cost. The monthly costs levels for employees for 2009 are:
AETNA HEALTH INC. www.aetna.com 1-800-888-982-3862
Group # 0002

POS Plan

Employee Only	Employee + 1	Employee + Family
Premium \$456.46	Premium \$954.03	Premium \$1,369.40
Employee Pay \$114.12	Employee Pay \$611.69	Employee Pay \$ 1,027.06
Company Pay \$ 342.34	Company Pay \$ 342.34	Company Pay \$342.34

HMO Plan

Employee Only	Employee + 1	Employee + Family
Premium \$478.65	Premium \$ 1,000.37	Premium \$1,435.95
Employee Pay \$ 119.66	Employee Pay \$641.38	Employee Pay \$1,076.96
Company Pay \$ 358.99	Company Pay \$ 358.99	Company Pay \$ 358.99

Assurant Dental Plan

Employee Only	Employee + 1	Employee + Family
Premium \$12.07 Employee Pay \$ 0	Premium \$ 19.53 Employee Pay \$0	Premium \$29.91 Employee Pay \$0

Assurant Dental Group # PCDR11 1-800-733-7879

[NO PREMIUM] employee responsible for co-pay according to services rendered

Life Insurance Full time hourly also eligible for a Life Insurance and Accidental Death and Dismemberment benefit at no cost to the employee.

Sick Time - Full Time employees get three sick days a year starting on their 6 months anniversary date of employment sick days are not allowed to be carried over.



**ADDENDUM
REQUEST FOR PROPOSAL
AIRPORT LIABILITY INSURANCE FOR AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CITY OF AUSTIN, TEXAS**

RFP: JRD0304

Addendum No: 1

Date of Addendum: March 9, 2015

This addendum is to incorporate the following changes to the above-referenced Request for Proposal.

1.0 **Clarifications:** The Solicitation documents should now be visible on Vendor Connection as Attachments once subscribed to this Solicitation.

2.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated into and made a part of the above-referenced Invitation for Bid.

APPROVED BY:

A handwritten signature in black ink, appearing to read "Jonathan Dalchau".

Jonathan Dalchau, Senior Buyer
Purchasing Office

3/9/2015
Date

ACKNOWLEDGED BY:

Alliant Insurance Services, Inc.

A handwritten signature in black ink, appearing to read "Thomas E. Smith".

April 22, 2015



**ADDENDUM
REQUEST FOR PROPOSAL
AIRPORT LIABILITY INSURANCE FOR AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CITY OF AUSTIN, TEXAS**

RFP: JRD0304

Addendum No: 2

Date of Addendum: April 9, 2015

This addendum is to incorporate the following changes to the above-referenced solicitation.

1.0 Questions and Answers.

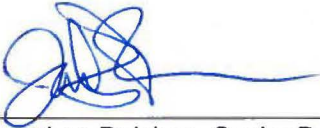
- Q1:** To allow us to obtain terms and coverage similar to that of the current coverage, can you please provide a copy of the current policy?
- A1:** Attachment M – Airport Owners and Operators General Liability Policy has been added that shows our current General Liability Policy.
- Q2:** In regards to Attachment E – FY 2015 Department of Aviation Owned Vehicles, are you looking for a policy to this schedule of vehicles?
- A2:** This attachment was added to work in conjunction with Paragraph 4.4.1. of Section 0500 – Scope of Work. The current Airport Liability policy includes a \$50,000,000 limit excess of \$1,000,000 (self-insurance).
- Q3:** In regards to the 6-year projection on the premiums, is the premium guarantee a disqualifying factor?
- A3:** No it is not a disqualifying factor.
- Q4:** All of the options had an aggregate deductible as part of the deductible program; will the City consider other options outside of the options?
- A4:** The City asks that you provide responses to all of the options listed, but you can propose other alternatives based on your professional experience for the City to consider.
- Q5:** In reference to the 0605 – Resident Bidder, are you looking at the Broker or Company?
- A5:** The Broker.



2.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated into and made a part of the above-referenced Invitation for Bid.

APPROVED BY:



Jonathan Dalchau, Senior Buyer
Purchasing Office

4/9/2015
Date

ACKNOWLEDGED BY:

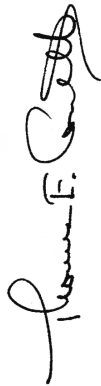
Vendor Name

Authorized Signature

Date

April 22, 2015

RETURN A COPY OF THIS ADDENDUM
to the Purchasing Office, City of Austin, Texas with your bid.
Failure to do so may constitute grounds for rejection of your bid.



Alliant Insurance Services, Inc.



**ADDENDUM
REQUEST FOR PROPOSAL
AIRPORT LIABILITY INSURANCE FOR AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
CITY OF AUSTIN, TEXAS**

RFP: JRD0304

Addendum No: 3

Date of Addendum: April 20, 2015

This addendum is to incorporate the following changes to the above-referenced solicitation.

1.0 Questions and Answers.

Q1: In reference to the Options 1-4 listed on the 0600B - Quote Sheet, the Liability Limit for War, Hijacking and other perils Liability Limit was set at a \$100 Million Premium, which is greater than the requested limit of Liability for the referenced option, was this added in error?

A1: Yes, the \$100 Million Premium was removed, with a space added for the Proposer to list the premium amount.

Q2: Is ABIA asking for Pollution coverage? It is listed under two sections on the 0600B - Quote Sheet for Pollution or Contamination of products sold or supplied and Pollution Coverage including noise. It was also found on page 2 of 2 of the ACE Declarations page a Pollution Endorsement AAP273 (11-03) but weren't sure if that was an exclusion or an endorsement so we cannot see the actual document - please clarify.

A2: The current ABIA policy excludes Noise and Pollution and Other Perils... "unless caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation." See the attached copy of Endorsement AAP273 (11-03).

2.0 Replace Section 0600B - Quote Sheet with the revised version.

3.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated into and made a part of the above-referenced Invitation for Bid.

APPROVED BY:

Jonathan Dalchau, Senior Buyer
Purchasing Office

4/20/2015
Date

ACKNOWLEDGED BY:

Vendor Name

Authorized Signature

Date

RETURN A COPY OF THIS ADDENDUM
to the Purchasing Office, City of Austin, Texas with your bid.
Failure to do so may constitute grounds for rejection of your bid.

April 20, 2015

This Endorsement effective
forms part of Policy Number
Issued to
By ACE Property And Casualty Insurance Company

March 24, 2014

City of Austin, Department of Aviation

POLLUTION ENDORSEMENT

1. Section II, Common Coverage Exclusions, is amended by deleting exclusion A and inserting the following:

A. Noise and pollution and other perils.

This Policy does not cover claims directly or indirectly, occasioned by, happening through, in consequence of:

- (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith;
- (b) "Pollution" or contamination of any kind whatsoever;
- (c) electrical or electromagnetic emission or interference of any kind whatsoever,;
- (d) interference with the use of property;
- (e) any direction, obligation, request, demand, order, or statutory or regulatory requirement, or any voluntary decision to do so, that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of "Pollutants" or "Waste".

unless caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. Section VI, Definitions, is amended by as follows:

- a. Definition 6, the definition of "bodily injury", shall be amended by adding the following:

"Bodily injury" also means fear of bodily injury, sickness, disease, fright or mental anguish.

- b. The following definitions are added:

"Pollution" means the mere presence of "Pollutants" in any form, as well as the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of "Pollutants" in any form.

"Pollutants" include, without limitation, solid, liquid, gaseous or thermal irritants, any air emission, contaminant, smoke, vapor, soot, fume, acid, alkali, chemical, "waste", or any material alleged to be a possible or probable carcinogenic, odor, waste water, oil or other petroleum product, infectious or medical waste, asbestos or asbestos product, fungus (including mold or mildew or any mycotoxin, spore, scent or byproduct produced or released by fungi, other than any fungi intended by the insured for consumption.)

"Waste" includes materials to be recycled, reconditioned or reclaimed, whether or not the material has been disposed of by you or any person handling the waste.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Endorsement No. 14

G. PART VII - AFFIDAVIT

- i. *Proposers, including their officers, owners, agents, representatives, subconsultants, employees, or parties in interest:*
 - (1) *Shall not in any way collude, conspire or agree, directly or indirectly, with any person, firm, corporation or other Proposer or potential Proposer in regard to the amount of their proposal or the terms or conditions of their proposal.*
 - (2) *Shall not pay, or agree to pay, directly or indirectly any person, firm, corporation or other Proposer or potential Proposer, any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for fixing the prices in the proposal or the proposal of any other Proposer. Proposers shall not pay money or anything of value in the future for these purposes.*
 - (3) *Shall certify that none of the deciding factors set forth in the request for proposal or in the subsequent agreement were their idea or the idea of anyone representing their company, unless the suggestion was made at a meeting open to all Proposers, which all Proposers had notice of.*
 - (4) *Must attest that they had no involvement in the development, preparation, evaluation, or other decision making process for this solicitation, and that should the Proposer receive a contract award in response to their proposal, no agent, representative, consultant or subconsultant affiliated with the Proposer, who may have been involved in the development, preparation or evaluation or other decision making process for this solicitation, will have any financial interest, direct or indirect, in said contract.*
 - (5) *Must state that there are no other potential or actual conflicts of interest regarding this solicitation.*
 - (6) *Shall certify that no officer or stockholder of their company is an employee of the City of Austin, or an employee of any elected official of the City, or is related to any employee or elected official of the City of Austin.*
 - (7) *Shall not have undertaken or will not undertake any activities or actions to promote or advertise their proposal to any member of any City Commission reviewing the proposals, member of the Austin City Council or City staff except in the course of City-sponsored inquiries, briefings, interviews or presentations between the date that the Request for Proposal was issued and the date of the award by the City Council.*
- ii. *Proposers shall sign and return with their proposal, the affidavit of Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying located in section 0805 herein.*

Acknowledged and signed on offer sheet.

H. PART VIII -

PROPOSAL ACCEPTANCE PERIOD

All proposals are valid for a period of one hundred and twenty (120) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal.

Confirmed. This proposal will remain valid for a period of 120 calendar days subsequent to the RFP closing date.

I. PART IX -

PROPRIETARY INFORMATION

All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

Acknowledged.

J. PART X - AUTHORIZED NEGOTIATOR



Include name, address, and telephone number of person in your organization authorized to negotiate contract terms and render binding decisions on contract matters.

Tom E. Corbett
1301 Dove Street, Suite 200
Newport Beach, CA 92660
Phone: (949) 660-8132
Email: tecorbett@alliant.com

APPENDIX

- A. Service Team Resumes
- B. Phoenix Aviation Privacy Policy
- C. Sample Loss Control Report

APPENDIX

A. Service Team Resumes

Please refer to the following page(s).

THOMAS E. CORBETT

SENIOR VICE PRESIDENT
PUBLIC ENTITY GROUP



ACCOMPLISHMENTS AND AREAS OF EXPERTISE:

Tom joined the Alliant Insurance Services team in 1993. He specializes in the public entity casualty area, and is involved in the marketing of property and casualty accounts. Tom specializes in pooled and joint purchase programs. Tom has many years of expertise with the design, implementation, and management of public entity group purchase casualty programs for excess liability, aviation, and government crime. In addition, Tom is the servicing broker responsible for one of the largest governmental risk pools in the nation.

DETAILED EXPERIENCE:

Tom's experience includes one year as North American Casualty Broker at Fenchurch Insurance Brokers, Ltd. in London, England. In his first eight years with Alliant, he worked as Assistant Marketing Manager and was involved with marketing all lines of coverage for public entities. Tom has been a broker with Alliant since 2000. Tom works on all major lines of coverage, with a primary focus on public entity liability, workers' compensation, crime, aviation, and professional liability coverage.

EDUCATION, PROFESSIONAL, AND PERSONAL INTERESTS:

Tom earned a Bachelor of Arts degree in History from Western State Colorado University (WSCU), located in Gunnison, Colorado. Licensed by the California Department of Insurance as a Fire and Casualty Broker-Agent, Tom has completed many hours of continuing education.

When away from the Alliant office, Tom enjoys spending time with his family. His favorite activities include traveling, sports, and outdoor activities.

DANIEL HOWELL, J.D., ARM-P, CPCU

SENIOR EXECUTIVE VICE PRESIDENT

MANAGING DIRECTOR, PUBLIC ENTITY GROUP



ACCOMPLISHMENTS AND AREAS OF EXPERTISE:

Daniel joined the Alliant Insurance Services team in 1998 following over a decade with Fred S. James and Sedgwick. He offers a wide breadth of expertise including the development, implementation, and management of property and casualty insurance and self-insurance programs. Dan understands issues for entities with complex operations and is especially adept at building consensus among a broad array of stakeholders.

DETAILED EXPERIENCE:

Dan currently serves as the Managing Director for the Public Entity Group. Since joining Alliant, he has served as Program Director for the California State University Risk Management Authority (CSURMA), and the broker for the University of California, State of California, Port of Seattle, and Port of Oakland, among many clients. His multi-line property and casualty experience dates from 1987, when he started with Fred S. James, which later became a part of Sedgwick. His expertise ranges from professional liability, public officials liability, educator's legal liability, excess workers' compensation, to major property lines.

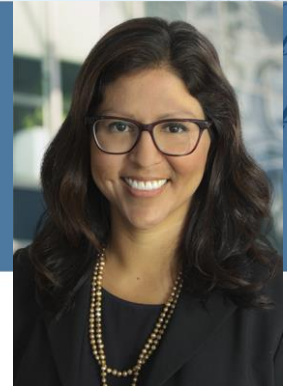
EDUCATION, PROFESSIONAL, AND PERSONAL INTERESTS:

Daniel holds an A.B. in History from Stanford University and a Juris Doctorate from UC Hastings College of Law. He also possesses designations in good standing for both the Chartered Property Casualty Underwriter (CPCU) and the Associate in Risk Management (ARM-P). Daniel is a licensed Property & Casualty retail and wholesale broker in several states, and he is an active member of the State Bar of California.

When he is not practicing his profession, he enjoys spending time with his family and outdoor activities.

MELISSA DIAZ, CLCS

RISK ADVISOR
SPECIALTY GROUP



ACCOMPLISHMENTS AND AREAS OF EXPERTISE:

Melissa joined the Alliant Insurance Services team as a Risk Advisor with the Specialty Group in early 2013. She is based in San Francisco, CA. Melissa has 12 years of risk management experience. Her areas of expertise within the Public Entity sector include Higher Education, K-12 schools, Nonprofits, Cities and Counties, State Governments, and Airports. Melissa is part of the CSURMA team, which includes 23 campuses and over 90 auxiliaries. Melissa also oversees the marketing efforts for CAPS-SIG, a self-insurance workers' compensation group for nonprofit private schools in California. Melissa is an active member of the Alliant Airport Team and works with Akron-Canton Regional Airport Authority in Ohio. She also provides training and marketing for Alliant's Cyber Liability Insurance Program.

DETAILED EXPERIENCE:

Melissa began her insurance career in 2002 with a national temporary housing company, relocating displaced homeowners with notable nationwide insurance carriers. Here she helped relocate over 350 families following the 2004 San Diego wildfires. In 2007, she continued her passion in the risk and emergency services field with a large, national restoration company. That very year another catastrophic firestorm hit San Diego where she assisted in the disaster recovery of hundreds of homes and businesses. In 2012 Melissa moved to San Francisco to work for a large, bay area based restoration firm. Melissa was a key member of the Catastrophe Team, assisting in her firm's recovery efforts for commercial clients affected by Hurricane Sandy.

EDUCATION, PROFESSIONAL, AND PERSONAL INTERESTS:

Melissa holds designations as a Commercial Lines Coverage Specialist (CLCS) and Water Damage Restoration Technician (WRT), and is working towards obtaining her Associate in Risk Management (ARM) designation. Melissa has been an active member of the Risk Management Society (RIMS), University Risk Management and Insurance Association (URMIA), California Association of Joint Powers Authority (CAJPA), Auxiliary Organizations Association (AOA), California Association of Private Special Education Schools (CAPSES), Public Agency Risk Management Association (PARMA), Public Risk Management Association (PRIMA) and the Western Association of College and University Business Officers (WACUBO).

Melissa is originally from Palm Springs, California. Melissa graduated with a Bachelor of Arts degree from the University of San Diego and studied abroad in Madrid, Spain. Outside of work, Melissa enjoys yoga, running, spinning, cooking, and golfing. She is a world traveler, always wondering where her next international trip may be.

GAIL WHITE

ACCOUNT EXECUTIVE
PUBLIC ENTITY GROUP



ACCOMPLISHMENTS AND AREAS OF EXPERTISE:

Gail joined the Alliant Insurance Services team in 1989. Her early experience involved handling multiple lines of coverage for individual public entity clients. Gail currently specializes in the account management and servicing for a joint purchase insurance program for municipal airports and aircraft. In addition, she is responsible for managing and servicing the property and pollution liability coverage for a joint powers insurance authority.

DETAILED EXPERIENCE:

Gail offers many years of insurance expertise. Her experience includes working as a property and casualty underwriter to currently serving as an Account Executive handling complex public entity accounts.

EDUCATION, PROFESSIONAL, AND PERSONAL INTERESTS:

Gail attended Phoenix College in Arizona and holds a State of California insurance license. In addition, Gail has completed more than 200 hours of continuing education.

When not at work or with family and friends, Gail enjoys reading, traveling, and many outdoor activities.

TIM LEECH, CSP, ARM

**FIRST VICE PRESIDENT
RISK CONTROL SERVICES**



ACCOMPLISHMENTS AND AREAS OF EXPERTISE:

Tim joined the Alliant Insurance Services team in 2010. He leads the Alliant National Risk Control Consulting practice. Tim's experience and expertise includes over 25 years working in the environmental, health and safety field as a leader of staff, project management, and consulting. In his current capacity, Tim works closely with Alliant underwriters and broker teams to ensure staff deliverables are a value added and contribute to client proactive loss mitigation strategies.

DETAILED EXPERIENCE:

Considered an industry generalist, Tim is well qualified in property and casualty risk control consulting. He brings significant expertise in the following industries: Public Entity, Education, Hospitality, Healthcare, Manufacturing, Waste & Trash Haulers, and General Industry.

Prior to choosing Alliant, Tim worked for a retail brokerage as a Director in their Global Risk consulting practice. During this time, he acted a consultant for global and large risk management clients, managed a regional claims and risk control staff, and strategized total cost of risk reduction projects. His broad range of industry experience also includes working as a pipe fitter, engineer/designer of fire protection systems, insurance loss control consultant, and industry environmental, health and safety engineer.

EDUCATION, PROFESSIONAL, AND PERSONAL INTERESTS:

Tim holds a Bachelor of Science degree in Fire Protection and Safety Engineering from Oklahoma State University. He also has obtained two Associate of Science degrees in engineering related disciplines. Tim is a certified Safety Professional and a licensed Property and Casualty Insurance Broker. In Addition, Tim is a member in good standing with an Associate in Risk Management (ARM) designation.

In addition to faith and family, Tim enjoys mountain biking, training, and competing in triathlons. He is a proud member of the "50 Mile Ride for Project Rwanda" planning team, which during its initial five-year history raised over \$250,000.

ROBERT A. FREY, RPA

SENIOR VICE PRESIDENT, CLAIMS MANAGER
NATIONAL CLAIMS ADVOCACY



ACCOMPLISHMENTS AND AREAS OF EXPERTISE:

Robert joined the Alliant team in 2002 and created the Alliant Brokerage Claims Advocacy practice. He manages a team of highly trained professionals who provide technical claim service to various Alliant practice groups. Some of these groups include Public Entity, Healthcare, Commercial, and Real Estate. In addition, he takes the lead handling large losses, complex losses, and losses with coverage disputes. His expertise also covers real estate development and management and includes high-rise office risks, industrial office/manufacturing risks, hospitality industry, regional shopping centers, and strip mall shopping centers. Robert is well versed in claims handling for construction risks including OCIP, high tech, biotech, and higher education clients. Currently, he serves as the Alliant client advocate for all aspects of the insurance claims process.

DETAILED EXPERIENCE:

Robert is a seasoned professional who offers almost four decades of extensive experience handling property and casualty claims. His insurance career began with Bayly, Martin, & Fay. He then moved on to an advanced position with Morris & Associates, and then to a Claims Executive at Marsh Risk Services. Robert began leading the Claims Advocacy Practice team at Alliant over ten years ago. He is an in-demand speaker and frequently addresses audiences at risk management conferences including PARMA, the Building Owners Managers Association (BOMA), and the International Council of Shopping Centers (ICSC). He has been a guest speaker for the California State University Risk Management Authority (CSURMA) on multiple occasions. In addition, Robert was an instructor at the College of Alameda where he taught classes on personal insurance coverage, claims handling, and adjusting.

EDUCATION, PROFESSIONAL, AND PERSONAL INTERESTS:

He is a charter member of the Registered Professional Adjusters Program as a Registered Professional Adjuster (RPA) and is a former faculty member of the International Council of Shopping Centers (ICSC).

When Robert is not handling claims, he spends time with his family. He enjoys basketball and for many years coached youth and woman's teams. Recently, Robert added a few new interests that include learning to play piano and oil painting.

APPENDIX

B. Phoenix Aviation Privacy Policy

Please refer to the following page(s).

**CITY OF AUSTIN
PURCHASING OFFICE
QUOTE SHEET
SOLICITATION NUMBER: RFP JRD0304**

Proposers submitting a quote must complete a separate quote sheet for each carrier they are representing. Please do not leave any item blank. If an item is not applicable indicate this with an "N/A."

1. Primary Carrier quoting the coverage:

- a. Current A.M. Best Rating: **A+**
- b. Is the carrier admitted and licensed to write business in Texas? **Yes**
- c. Is the carrier registered with Texas as an approved surplus lines carrier? **No, not necessary.**
- d. Is the premium guaranteed for more than one year? **No.**

COVERAGE	INDICATE LIMIT BEING QUOTED AND/OR 'YES' OR 'NO' FOR PROVISIONS
Liability Per Occurrence for Bodily Injury, Property Damage combined single limit per occurrence arising from the insureds premises and operations including mobile equipment and automotive equipment while on the insured's premise or adjoining ways.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Boards and Commissions subsidiary agencies and all of the members, officers, servants, volunteer workers, officials, and employees with respect to liability arising out of the activities of the named insured or activities performed on behalf of the named insured including the airport manager while acting within the scope of his/her duties.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Products/Co Ops annual aggregate	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Medical Expense	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Malpractice annual aggregate	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Fire Damage Limit any one Fire	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Personal and Advertising Injury annual aggregate	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Auto (on premises)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Auto Excess Liability Off Premises -- any one Accident/Occurrence and in the Annual Aggregate excess the primary	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Baggage Liability	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Blanket Contractual Liability	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Cancellation	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Contingent Air Show Liability	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Contingent Liquor Liability	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Control Tower-Contingent	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Damage to Autos	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Discrimination	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

**CITY OF AUSTIN
PURCHASING OFFICE
QUOTE SHEET
SOLICITATION NUMBER: RFP JRD0304**

Excess Employers Liability (excluding disease) of any one Accident/Occurrence	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Fellow Employee Exclusion	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Garagekeepers	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Hangarkeepers Limit (not in flight) Any One Occ/Any One Aircraft to include incidental control of aircraft which the insured shall become legally obligated to pay as damages because of injury to or destruction of any aircraft which is the property of others.	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Immunity Waiver	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Inadvertent failure to report	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Independent Contractors coverage	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Knowledge of Occurrence	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Land Acquisition Endorsement	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Mutual Aid Agreements	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
National Incident Management System Response Plan	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Non-Owned Aircraft Liability any One Occurrence	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Passenger Misdirection	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Physical Damage to Non Owned Aircraft	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Pollution or Contamination of products sold or supplied	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Pollution Coverage including noise.	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Static Display of Aircraft	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Volunteers included as Employees	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Texas Tort Liability Claims Act Endorsement including language prohibiting the carrier to pay claims exceeding the amount indicated by law without first providing written notice and consent from the City.	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Cancellation Provision of 120 days except 10 days for Non-payment	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Compliance with all Minimum Requirements identified in Section 4.1 of the 0500 Scope of Work section of this RFP	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Can carrier guarantee a premium quote for multiple years?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

**CITY OF AUSTIN
PURCHASING OFFICE
QUOTE SHEET
SOLICITATION NUMBER: RFP JRD0304**

2. **Premium Quotations:** The City is requesting quotes at different Limits of Liability. Proposers can quote any or all options and can also propose alternative options. The City desires to review quotes with the ability to determine the final scope of coverage by adding premium charges for coverage enhancements to a defined base premium.

Option 1

Limit of Liability \$25,000,000 each occurrence
Deductible \$10,000/\$100,000 Annual Aggregate Deductible

City handling claims within the deductible

Premium Based on Provisions Indicated Above: \$15,913

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$25 Million	Premium: \$1,591
TRIA Limit and Premium: Included above	

Option 2

Limit of Liability \$25,000,000 each occurrence
Deductible \$500,000/\$2,000,000 Annual Aggregate Deductible

City handling claims within the deductible

Premium Based on Provisions Indicated Above: \$13,538

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$25 Million	Premium: \$1,354
TRIA Limit and Premium: Included above	

Option 3

Limit of Liability \$50,000,000 each occurrence
Deductible \$10,000/\$100,000 Annual Aggregate Deductible

City handling all claims within the deductible

Premium Based on Provisions Indicated Above: \$30,875

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$50 Million	Premium: \$3,088
TRIA Premium: Included above	

Option 4

Limit of Liability \$50,000,000 each occurrence
Deductible \$500,000/\$2,000,000 Annual Aggregate Deductible

City handling all claims within the deductible

Premium Based on Provisions Indicated Above: \$28,623

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$50 Million	Premium: \$2,826
TRIA Limit and Premium: Included above	

CITY OF AUSTIN
PURCHASING OFFICE
QUOTE SHEET
SOLICITATION NUMBER: RFP JRD0304

Option 5

Limit of Liability \$100,000,000 each occurrence
Deductible \$10,000/\$100,000 Annual Aggregate Deductible

City handling all claims within the deductible

Premium Based on Provisions Indicated Above: \$56,763

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: **\$100 Million** Premium: \$5,676
TRIA Limit and Premium: Included above

Option 6

Limit of Liability \$100,000,000 each occurrence
Deductible \$500,000/\$2,000,000 Annual Aggregate Deductible

City handling all claims within the deductible

Premium Based on Provisions Indicated Above: \$52,488

List Optional coverage enhancements which can be provided for an additional premium:

War, Hi-Jacking and other perils Liability Limit: \$100 Million Premium: \$5,249
TRIA Limit and Premium: Included above



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CITY OF AUSTIN, TEXAS

TO: Veronica Lara, Director
Department of Small and Minority Business Resources
FROM: Jonathan Dalchau, Senior Buyer
DATE: 2/25/2015
SUBJECT: Request for Determination of Goals for Solicitation No. RFP JRD0304

Project Name: Airport Liability
Commodity
Code(s): 95356, 95377, & 95313
Estimated Value: Total Contract over 7 years = \$595,000 (\$85,000/year)

Below are scopes of work for this project as determined by the Purchasing Office and Department that are contained in this solicitation.

The purpose of this contract is to establish an insurance provider for ABIA.

The Departmental Point of Contact is: Leslie Milvo at Phone: 512-974-3245

Per paragraph 8.2.1 of the Rules Governing the Minority and Women Owned Business Enterprise Procurement Program, please approve the use of the above goals by completing and returning the below endorsement. If you have questions, please call me at 512-322-6586.

☐ Approved w/ Goals ☒ Approved, w/out Goals

Recommend the use of the following goals based on the below reasons:

- a. Goals: % MBE % WBE
b. Subgoals % African American % Hispanic
 % Native/Asian American % WBE

This determination is based on the following reasons:

This is an Insurance Contract to provide Airport Liability risks, assessing insurance needs and delivering a comprehensive aviation liability insurance plan. There are no subcontracting opportunities. However, there are 2 certified firms listed for these scope of services.

Veronica Lara, Director

Date: 2-2-15

cc: Lorena Resendiz